

Women Mobile Financial Services Agent Training Manual

March 2018

Contents

Introduction	1
Opportunities for Growth and Success for New Agents	1
Focusing on Training Women Agents.....	2
Why Focus on Women Agents?	2
Key Considerations While Training Women Agents.....	3
Common Issues and Challenges Faced by Agents and MFS Users	5
Explaining the Business Case to Newly Recruited Women Agents	8
What Must Women Entrepreneurs Invest?	8
Key Operational Efforts Required.....	9
Common Mobile Financial Services Products	10
Remuneration in the Agent Network	12
Key Operational Procedures	14
Opening Accounts	14
Know Your Customer Requirements.....	15
Liquidity Management.....	17
Customer Service	19
Building Capacity among Customers.....	20
Compliance and Obligations.....	20
Providing Support to Women Agents.....	24
Mobile Financial Services' Risks and Mitigation Strategies	26
Fraud Risks.....	26
Operational Risks	26
Reputational Risks	26
Security Risks.....	27
Training Assessment	28
Appendix	29

Introduction

This manual is an accompaniment to the Women Agent Training Deck for the training department of mobile financial services (MFS) providers, and can be used as a reference while delivering training using the training deck. The training department should use both the Women Agent Training Deck and Women Mobile Financial Services Agent Training Manual while conducting any agent training.

The purpose of this document is to provide generic training material for MFS provider staff, to train newly acquired women agents. The manual's various sections offer a basic level of understanding about MFS to women agents and guide them through key points to keep in mind as they immerse themselves in their new roles as MFS agents. This manual provides a slide-by-slide description of the Women Agent Training Deck.

Please note that the deck and the training manual serve to provide a guided approach to training. The MFS provider can choose to customize the material to fit their products and processes.

Opportunities for Growth and Success for New Agents

Slide 5: There are many reasons for you to sign up

Training staff should be able to present the prospects of the MFS business to new women agents:

- The agents must understand that MFS is set to grow exponentially, despite the challenges around it. It is the most accessible, convenient channel for most citizens, especially with the limited outreach of other financial service providers, particularly in rural areas.
- As the number of phone users in the country increases, so does the potential customer base of MFS. Agents, being the front line for MFS providers, are then placed to acquire these customers.
- While traditionally seen as a money transfer service, new use cases for MFS have emerged, such as salary disbursements and bill payments. As the adoption rate of these services increases, so will the demand for MFS, along with MFS agents.
- An MFS agency requires minimal capital requirements, especially when it is added onto an existing business delivery channel. Most new agents have some form of business activity, and MFS is added on to supplement the existing business. Thus, the overhead and costs for running the MFS agency are low.

Slide 8: Many opportunities exist for growth and success

Training staff should be able to convince new women agents about signing up by using the following talking points:

- The agents must understand that MFS will help them earn money and become financially independent.
- They will learn new skills such as engagement with customers, time management, multi-tasking and technical skills which can be transferred to other professional pursuits.
- The point about MFS agents contributing towards greater financial inclusion must be focused on. It must be explained to them how they are contributing toward nation building, one small step at a time.
- Being a successful entrepreneur will not only increase their standing in the community, but also help them build a personal legacy.

Points to Note

- Focus on the **key numbers** provided when explaining the MFS landscape to new agents. They should understand the potential of this business in the larger context of the country.
- Do **not dwell on the issues** and negative aspects of the business. While it is important for the new agents to understand that the business has challenges, avoid painting a negative picture. Be realistic without being fatalistic.
- **Focus on the opportunities** for success. The new agents will ascribe toward establishing a successful business and earning profits. Explain to them that this is possible and depends on their efforts.

Focusing on Training Women Agents

One of the most direct ways in which women entrepreneurs can take part in the growth of the MFS industry is by joining the distribution channels of MFS. These channels can also be useful conduits for providing other important services such as aid distribution, education, and health services. These channels and government payments can offer further economic opportunities for women entrepreneurs.

Why Focus on Women Agents?

Slide 10: Why do we need you—the women agents?

Women possess some inherent qualities which make them suitable for this line of work.

- They are perceived to be more patient, especially when explaining certain intricate concepts. They are more willing to take the time to ensure that customers understand product or service features.

This helps build trust, while creating a positive image for the MFS provider represented by the agent.

- Women entrepreneurs also are seen as equally comfortable dealing with both men and women, and are good at convincing customers and selling products. For MFS providers, this translates into a larger potential customer base, as women customers are reportedly more comfortable dealing with women agents.
- Women generally display higher levels of empathy, and as a result they can gain trust and establish rapport with customers by being on their side and not appearing judgmental. This allows women agents to read the customers, show concern, and clearly demonstrate an interest in providing a proper solution.

The following qualities often differentiate most women entrepreneurs:

- Ability to identify and react accurately to customers' behavior and emotions;
- Identify other people's feelings and frustrations objectively, without necessarily agreeing with them;
- Ability to establish rapport easily and put people "at ease" in their presence;
- Listen well; and
- Display curiosity by asking questions that require more than a yes or no answer.

Points to Note

- In Bangladesh, cultural barriers to women's participation in the labor market are more prevalent. As such, MFS providers who seek to include women as agents must take these factors into consideration and work closely **within those values and norms**.
- It is important to ensure that the **whole family is engaged** with and appreciates the benefits of having women involved in the MFS business.
- Working within the context of social and cultural norms and demonstrating the benefits of involving women helps achieve **buy-in from the family** and community.
- Please use the quotes in slide 9 to highlight the points made.

Key Considerations While Training Women Agents

While women have natural inherent qualities which may make them ideal representatives of MFS providers, there are a few considerations that MFS providers should keep in mind.

- Some women may be unfamiliar with technology and may need additional training on using the device for transacting. This especially may be the case in rural areas, where a woman may have limited access to technology such as mobile phones or computers.

- It is important for training staff to be cognizant that they might need to provide additional training to new agents on using the transaction device, such as a point-of-sale (POS) or mobile phone.
- Women may need specialized coaching on acquiring customers, to fine-tune their inherent qualities. Customer acquisition requires marketing efforts, as well as “pull factors” that attract customers.
- Providers need to use women’s intrinsic qualities to their advantage, because women are adept at explaining product features and empathizing with customers. To cultivate and harness this advantage, first provide specialized training on acquiring customers, followed by handholding during the outlet’s rollout.
- Initially, it is advisable for training staff to also include a male family member during the agents’ on-the-job training. This can happen when the provider staff visits the agent’s outlet for initial demonstrations. Once the agent gains confidence, she can be trained independently in a classroom session (although this is at the discretion of the provider training staff and the training methods of the particular MFS provider).

Points to Note

- Training should be conducted in a **group of peers**, all of whom should be women. This provides an enabling platform for learning, with all participants being at a similar level.
- All training **material should be provided** to the agents, so they may revisit and review their learnings. This material must be provided in an accessible, easy-to-understand format. This may entail hard copies or printouts of all material used in the training, in the form of a booklet.
- A vigorous **training assessment** must be conducted to ensure that all women understand the MFS agency business. This assessment is a critical step in the training process, and can be a major factor in ensuring that agents are able to successfully manage agency operations.

Common Issues and Challenges Faced by Agents and MFS Users

Slide 12: There are challenges for agents and customers

Because new recruits have a limited understanding about the issues and challenges faced by MFS users, the training staff must explain these in detail. The idea of this slide is not to demotivate the agent by talking about the negative perceptions of customers, but to let them know what customers think of MFS agents. The issues and challenges, in the context of MFS, are categorized into the following four categories.

Issues and Challenges Faced by Women Using MFS			
Operational	Product	Social	Fraud
Agent knowledge and behavior	Insufficient product knowledge	Social biases	Risks of fraud
Trust in channel	Affordability	Security concerns	
Service denial	Technical literacy requirements	Harassment	
Network downtime instances			
Account opening process			

Operational issues deal with challenges faced while interacting and transacting with the channel. Customers feel that most agents are not well-equipped in terms of knowledge and behavioral aspects to serve customers effectively. In some cases, especially among women users, agents' behavior leaves a lot to be desired. This channel is the first point of contact for users when accessing MFS. However, many customers also mistrust agents when it comes to transactions. While the convenience of using agent outlets cannot be disputed, untoward instances—such as losing cash while transacting, misusing a customer's personal identification number (PIN), or a missing transaction status—leave some women users highly suspicious of agents. At the time of cash-out, many users complain that agents refuse to initiate transactions. This may be as a result of low liquidity, wherein the agent lacks the requisite funds, and with limited liquidity, the agent would rather reserve it for premium customers; or it could be because of service network downtime. This is especially troublesome for women MFS users, as they have limited mobility compared to men, when it comes to having to search for an accessible agent point. Users sometimes face the issue of network downtime at a crucial moment of their transactions. Admittedly, the problem is uncommon, but it has affected a fair amount of users, who complain that they either do not receive confirmatory messages or the transactions do not go through. This becomes a problem in times of exigencies, and the service then appears unreliable. The account-opening process, which requires submitting know your customer (KYC) documents and identity proof, is a hurdle for many customers, especially in rural areas. Women users are hesitant to provide their mobile phones and documents to agents. Those who complete the account-opening process have remarked that it takes a long period of time to activate their accounts and require constant follow-up visits to the agent counter. These are a few of the operational issues that a woman agent should be aware of, and must be prepared to handle as she begins her agency.

Product-level issues are challenges that customers face while using MFS services, highlighting instances where the product needs to be tailored specifically to fit a particular customer segment. These also include communication about the products and their features to the target customer base. The most common product-level issue is that customers lack sufficient knowledge about the product features and services. Most end-level customers still view MFS as a money transfer service and are unaware of other features. Further, while the convenience of MFS cannot be contested, often customers feel that the charges levied are too high. In fact, even among nonusers, the perception was that the cost of MFS is too high as compared to charges levied by the banks. It is interesting to note, however, that the objections to high charges come mainly from customers who use MFS for transferring funds. One of the major reasons customers balk at self-use of MFS is because most users, especially in rural areas, are conversant with using their phones for basic services, such as making and receiving phone calls. This is especially true for women. Agents will need to challenge these barriers to ensure that customers are satisfied with the products and accept MFS as a day-to-day partner in their lives.

Social issues highlight the social biases and cultural obstacles that impede the uptake of MFS among users, especially women for both self-use and over the counter (OTC). While access to MFS in Bangladesh is nationwide, largely because of the ubiquitous MFS agent network, women often are bound by familial pressures while seeking to access MFS. Although many women now use MFS for

cash-out (following a bandwagon effect), in more conservative communities, a woman's interaction with external actors (such as agents) is severely limited. Often to blame are identity-safe environments that reaffirm a woman's traditional role (homemakers and limited social interaction with the opposite gender). In terms of security concerns, customers perceive agent outlets to be unsafe, especially for cash-out transactions. Fueled by news reports of muggings of a few MFS agents and customers, customers' perceptions of conducting large cash-out transactions is of great concern. Another social issue for women users is harassment. Most women customers have faced some form of harassment in the course of using MFS. The most common complaint is that of unwanted phone calls from unknown men. These issues must be faced and successfully addressed by women agents to ensure a balance and healthy customer relationship, especially among women customers. Agents must instill confidence among women users.

Various **fraud risks** faced by women users in MFS are covered on page 26, in the section on fraud issues. Women users are particularly wary of the risk of fraud at agent outlets. The most common issue faced is an agent misappropriating cash, often seen at outlets where OTC is prevalent. Another risk that women users mention is an agent misusing of the customer's PIN. In rural areas, customers often trust the agent blindly, sometimes asking the agent to change their PIN for them. Also, sometimes customers are charged unauthorized fees by OTC agents. Agents of all service providers reportedly charge customers unauthorized fees beyond those that are automatically deducted as part of the transaction. These factors erode trust among users and adversely impact the uptake of services. Illiterate customers especially find these risks hard to fathom, and instead stick to tried and trusted traditional channels for remittances and savings. Women MFS agents will need to identify and implement recourse mechanisms to decrease fraud and build trust.

Explaining the Business Case to Newly Recruited Women Agents

It is important for MFS providers to ensure that their newly recruited business partners—women MFS agents—understand and absorb the MFS business’ basic nuances. Any new business opportunity must address the important aspects, such as its unique business proposition; the possible challenges, risks, and risk-mitigation strategies; and its benefit for entrepreneurs to embrace the business model in furthering their economic development.

What Must Women Entrepreneurs Invest?

Slide 14: What do you invest?

New women agents need to invest in a few key factors:

- **Time.** The new recruit should be willing to spend more time in building the MFS business. It is extremely crucial for women entrepreneurs to use this period to understand MFS as a business and employment opportunity; to identify the benefits of MFS products and services; and to consider the operational and societal risks associated with this model. This will help in building their confidence in this model.
- **Effort.** Women entrepreneurs are equally comfortable dealing with both men and women, and are good at convincing customers and selling products. In MFS, women agent’s effort will translate into a larger potential customer base because customers—especially women customers—tend to be more comfortable dealing with women agents.
- **Liquidity.** An agent’s ability to invest will drive the volume of business that the agent can generate. This is applicable to any agent, irrespective of gender. Women generally display high amounts of confidence in managing finances at home. It can be considered easier for them to manage liquidity as a woman entrepreneur. However, they will definitely require a positive family environment, and may require support for liquidity as initial working capital.
- **Infrastructure.** Agents must be keen to invest in infrastructure to provide their customer with a memorable MFS experience. Infrastructure plays a crucial role in building customers’ confidence in the MFS provider and her services. This can include a place to sit for customers, pamphlets on product features, and adequate lighting in the outlet.

Points to Note

- In Bangladesh, family's support of women's participation in the labor market is required at the inception stage. MFS providers who seek to include women as agents must take these factors into consideration and **engage the entire family** in making the decision.
- MFS providers need to provide **sufficient support in terms of infrastructure** to aid agents in promoting their services. This will assist women agents in reflecting the correct message for the provider.

Key Operational Efforts Required

Slide 15: Efforts required from you

There are different operational level efforts required to become successful agents. Women agents must put energy into the following:

- **Acquisitions.** Women agents will need to place more effort into scouting for and adding new customers. MFS providers recruiting women agents need to ensure adequate ground-level support in identifying customers for the agents, and also providing training on acquisition strategies on “pull factors” for the customers.
- **Transactions.** Different product transactions must be conducted based on customers' requirements. The women agents must build a relationship with the customer to identify their needs and provide them with helpful MFS.
- **Liquidity.** Women agents may seek support from their family members in the initial working capital as investment into liquidity. Investment is required to maintain e-float and cash to ensure optimum liquidity.
- **Marketing.** Providers will ensure to their advantage that women agents use their intrinsic qualities of marketing products and explaining the product features to their customers. Marketing the products and services will require developing specific collaterals that comply with the brand and message the provider wishes to convey to its customers.
- **Information.** Most women agents are inherently good listeners who empathize with customers by listening patiently and providing apt solutions to the customer queries on products and services. However, the providers must ensure that all the information is provided to the agents regularly, especially for updates on products and services.
- **Grievance redressal.** Women agents tend to be better at handling customer complaints. However, they must be aware of the grievance redressal methodology, and should always refer customers to either field staff or the provided customer care number in case of any doubts.

Points to Note

- Providers must ensure **sufficient support from the male family members** of women agents during the initial periods of the agency operations, until she achieves increased familiarity with the operations and confidence. This is necessary from both financial and social perspectives.
- Regular **updates on the processes involved** must be provided to agents, to ensure that the correct information is passed on to customers.

Slide 16: Do you think family support will be an issue?

The training staff must be cognizant that the agents may have apprehensions regarding the support they will be able to get from their families, especially male family members.

If any potential agent flags this as an issue, then the training staff must explain that the provider can conduct an orientation and sensitisation session for any family members who may be opposed to the potential agent's decision to start an MFS agency. The details of the potential agent should be taken down and should be followed up with a call to schedule a group orientation and sensitisation session.

Points to note:

- If a potential agent is apprehensive about the lack of support, there **should not be any probing questions**. Details can be sought in private after the training session with the potential agent in question.
- Trainers have to realise that most attendees will have **reservations** about sharing any issues relating to family in a public forum.

Common Mobile Financial Services Products

Slide 18: What products can you offer to your customers?

Agents must be made aware of the different types of products that MFS providers are allowed to offer. The agents must be aware and cognizant of the product features. Currently, Bangladesh Bank allows MFS providers to offer the following products and services:

1. Disbursement of inward foreign remittances.
2. Cash-in/cash-out using a mobile account through agents, bank branches, automated teller machines (ATMs), and mobile operators' outlets.
3. Person-to-business (P2B) payments—such as utility bill payments or merchant payments.
4. Business-to-person payments (B2P)—such as salary disbursements, dividends and refund warrant payments, and vendor payments.

5. Government-to-person payments (G2P)—such as elderly allowances, freedom-fighter allowances, and subsidies.
6. Person-to-government payments (P2G)—such as tax or levy payments.
7. Person-to-person payments (P2P)—where one registered mobile account makes a payment to another registered mobile account.
8. Other payments such as microfinance, overdrawn facility, insurance premium, or deposit pension schemes (DPS).

It is important to explain to new agents about the prevalence of OTC transactions and why they should avoid them. It must be explained to agents that OTC transactions, or using any MFS wallet other than the customer's own is not allowed by Bangladesh Bank. Agents should be trained that they should not use their personal wallets for conducting transactions on behalf of their customers. In the Bangladesh market, OTC transactions usually happen as a P2P transfer arranged between a sender and receiver. The sender and receiver each use an agent to complete the electronic transaction. The two agents involved can make these transactions happen in a variety of technical combinations (most often as a cash-in transfer of value to an account, or a cash-out from an account). Such an approach requires an agreement between four parties: the sender, sending agent, receiving agent, and receiver.

Agents must be told explicitly that OTC transactions stifle MFS's growth in Bangladesh, because customers will never graduate to self-used wallets and will never try out new products and services on their own. This is detrimental to the growth of the MFS industry and to their personal businesses as well.

Along the same lines, the business case for registering customers and then conducting cash-in and cash-out transactions must be explained well, so that agents understand that it is also more remunerative for them not to conduct OTC transactions.

- OTC transactions are not allowed by the policy of Bangladesh Bank, so they should be avoided at all costs.
- Agents cannot ensure customer loyalty when they conduct OTC transactions.
- Agents are more susceptible to fraud when they conduct OTC transactions.

In many instances, trusted agents (or trusted relatives) can (and indeed do) help illiterate customers use their wallets to make transactions. The agent navigates the menu up until the point where the customer must confirm the transaction and enter a PIN, whereupon the agent hands the customer's phone back to allow the customer to confirm and complete the transaction. This strategy can be used with illiterate customers, rather than conducting OTC transactions.

Points to Note

- Training staff must update trainees on the various products and services **currently available**. The list should be a generic list of products and services offered.
- The agents must understand the products and services that they can **provide their customers**, along with the scope of future products and services.
- Regular **updates on the MFS products and services** must be provided to agents so they can pass correct information to their customers.
- The prevalence and **disadvantages of OTC** must be explained, and also the benefits of registering MFS accounts must be made clear.

Remuneration in the Agent Network

Slide 20: Compensating the agent network

Agents, irrespective of their gender, should receive remuneration sufficient enough to make the business model sustainable and keep them motivated. The agent commissions provided by the MFS provider for the following transactions should be explained to new agents:

- **Customer acquisition**. This is the commission that the agent earns for successfully acquiring a new MFS customer. The provider must define the required steps that go into acquiring the customer and remunerate the agent judiciously. It must accommodate all the expenditures borne by the agent in creating a customer for the provider. Agents should not be overwhelmed by the processes, however; it must be explained that getting customers to sign up may be as simple as asking customers if they have an account or if they would like to open one, when customers come to transact at the agent point.
- **Transactions**. Different MFS products and services need varied efforts for promotion. The agents must receive adequate commission at par, if not more, than the competition in the market to ensure that agents are willing to promote MFS and serve MFS customers. The providers must explain to their agents about the communication aspects of products to customers, along with the commission they earn.
- **Frequency**. This is a critical factor in ensuring a long-term relationship with the MFS provider. All agents are brand ambassadors of MFS. Thus, MFS providers should ensure that the frequency of commission payouts occur in accordance with the agreement between the MFS provider and agent. There should be no breach of contract in the frequency, and the process must be transparent enough to ensure that agents are motivated enough to serve MFS customers.

Training staff must explain how agents can ensure a steady and high value stream of commission payments. They must be made aware of any predefined business targets they may have for either customer acquisition or transactions.

Points to Note

- The commissions that operators pay agents must, at a minimum, be **generous enough to persuade** agents to invest in float, learn and remember relevant processes, and serve MFS customers.

Slide 21: Commissions and payments

The details for this slide must be filled out by MFS providers with the latest commission payout structure. This must be explained to agents in detail, to avoid issues in the future regarding remuneration.

Key Operational Procedures

Slide 24: Key operational procedures

This section lays out key operational procedures that MFS training staff can use to instruct newly recruited women agents.

Of these, cash-in, cash-out, and P2B payments will be of particular interest in the initial stages of the agent's tenure at the MFS agency. The training staff must ensure that the agent understands how to use the service as a customer. This is particularly important, because the same processes will have to be used when acquiring customers later and explaining the products and services to them. If the agent is unaware of how to use MFS herself, she will not be able to educate future customers. Agents will need guidance on how to:

- Register MFS customers using the device, with all necessary documentation requirements;
- Explain the products and services offered to customers in a way that enables customers to start transacting with minimal support;
- Deposit cash into registered customer accounts; and
- Process cash withdrawals for registered and nonregistered customers.

Points to Note

- Training on other products can happen at a **later stage**, as the agent matures in the business and becomes more competent in performing basic functions.
- If onsite training is provided, it is essential that **all training materials are provided to the agent** in the form of a booklet or a handbook. Offsite support must also be provided via a call center or a dedicated team, to guide the agents initially through voice-based communication.
- If the agent is unaware of how to use MFS herself, she will not be able to educate future customers. Agents must be **encouraged to use MFS** themselves.

Opening Accounts

Slide 28: How to open an MFS account

Women MFS users are mostly influenced by the decisions of their agent or peer group when opening a new MFS account. The agents play a pivotal role in promoting MFS and building customers' trust. While some women prefer to own an MFS account, the majority would prefer to transact OTC. Agents must educate the customers on the importance of creating accounts for all customers, so that they enjoy the convenience of using all the services and products without venturing out of their home, thus realizing the actual benefits of MFS. Agents, therefore, are the most important change-agent for MFS providers.

Contrary to the belief that agents perceive registered accounts as a competitive threat, agents must realize that customers will always rely on them for loading cash into the wallet, and in some cases, for cash withdrawal as well. Therefore, the agents must understand and explain to customers the importance of self-assisted transactions using a registered MFS account. This will also increase the agents' throughput, because more customers will use different services and products and visit the agents for a higher amount of repeat transactions in the form of cash-in and cash-out.

Agents should be briefed on the processes of opening customer accounts, using the devices that the provider has prescribed, with all the necessary documentation requirements. The prescribed processes will be as follows (each provider must customize these steps):

- Agents must maintain an adequate number of account-opening forms, so that customers who are looking to obtain an account can do so.
- The agent is required to fill the MFS account opening form diligently for the customer. She must inquire about all the mandatory details and fill them in correctly for the customer. The customer will need to provide a signature and confirm details in the form.
- The agent will collect the required numbers of passport-sized photographs of the customer and verify them.
- Agents must understand that KYC documentation forms are mandatory; they must collect all the necessary KYC details and verify that these details match the account-opening form.
- The agent must provide a copy of the account-opening form to the customer with all the details, along with an acceptance receipt for any future correspondence. The customer must acknowledge the same, and the agent must explain its importance.
- Finally, for the purposes of record keeping and best practices, the agent should maintain appropriate records of all the customers for future reference, in case of any discrepancy or delay from the MFS provider.

Different MFS providers may follow a distinct method of account opening. However, it remains the MFS provider's responsibility to explain the complete process of MFS account opening to the agent.

Know Your Customer Requirements

Slide 31: Why are Know Your Customer (KYC) documents required?

Bangladesh Bank needs to ensure that the customers of a financial institution are known to financial institutions, both in terms of their identity and their address. This is done to in an attempt to prevent fraud and to combat the financing of terrorism (CFT), which is an international requirement. These regulations fall into three categories:

- KYC;
- CFT; and
- Anti-money laundering (AML).

However, both CFT and AML regulations rely first on ensuring that a financial institution knows who it is dealing with and where the person lives. More details on this can be found in excerpts from the Bangladesh Bank on KYC, with the full details available online.

How do you explain this to new agents?

Staff trainers must explain to agents that the objective of KYC, AML measures, and CFT guidelines is to prevent MFS being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist-financing activities.

- The KYC procedures also enable MFS providers to know and understand their customers and their financial dealings better, which in turn helps them manage their risks prudently.
- The agents must understand that KYC documentation norms are mandatory, and are used to identify and verify the customer by using reliable and independent source documents.
- The training staff must explain why the limits on transaction amounts are placed for customers. Any deviations from these limits or any suspicious activity is to be immediately reported to the provider. In case the agent has reason to believe that a customer is intentionally structuring a transaction into a series of transactions below the threshold of Bangladeshi taka (BDT) 25,000 per month, the agent must report this to the provider.

Acceptable “Know Your Customer” Documents

Identification documents, either originals or certified copies, should be pre-signed and contain a photograph of the applicant. These can include:

- Current valid passport;
- Valid driving license;
- Voter ID card;
- Armed forces ID card;
- A Bangladeshi employer ID card bearing the photograph and signature of the applicant; or
- A certificate from any local government organizations or any respectable person acceptable to the institution—such as a union council chairman or ward commissioner.

The following table presents the current transaction limits, as per the regulations of Bangladesh Bank.

Transactions	Limits
Daily deposit	5 times (maximum)
Daily Withdrawal	3 times (maximum)
Daily deposit amount	Bangladeshi taka (BDT) 50–25,000
Daily withdrawal amount	BDT 50–25,000
Daily transfer amount	BDT 10–10,000
Monthly deposit	20 times (maximum)
Monthly withdrawal	10 times (maximum)
Monthly deposit amount	BDT 150,000
Monthly withdrawal amount	BDT 150,000
Monthly transfer amount	BDT 25,000
Daily agent cash-in/business-to-business credit	5 times

Liquidity Management

Slide 32: Liquidity management

Liquidity management is the optimal and sustainable handling, controlling, and directing of cash and e-value. The agent is primarily responsible for managing her liquidity (with support from the MFS provider in rebalancing). The amount of investment in liquidity that an agent can make is one of the key determinants during the selection phase.

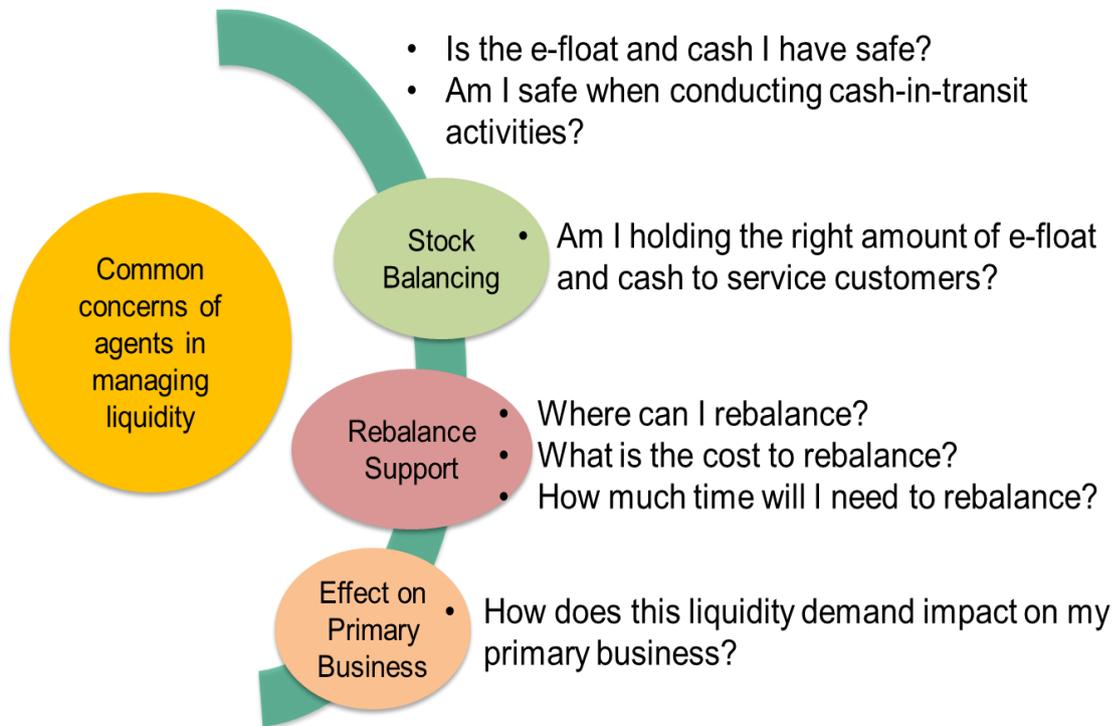
Agents need to understand that they should effectively manage their liquidity for the following key reasons:

- It ensures the maintenance of float levels, to handle any unexpected surges or demands for float.
- It takes care of seasonality issues (such as festive seasons).
- It helps reduce risks, because it alleviates the need to keep excess cash on hand.

Various issues could occur because of insufficient liquidity:

- No e-float means that customers cannot deposit cash, because agents cannot give them e-money in exchange for cash.
- No cash means that customers cannot withdraw cash, leading to disappointed customers.

- Partial deposit or partial withdrawal means that agents do not have enough float or enough cash.



How do agents determine the right amount of liquidity?

- The cash required at the agent location should be a little more than the total value of withdrawals expected through the day (when no deposits are anticipated).
- Similarly, the value of e-float should be (at the start of the day) more than the total deposits expected throughout the day (when no withdrawals are expected).
- However, both deposits and withdrawals happen at each agent location, and thus the liquidity requirement is less than the value of total transactions expected throughout the day.
- The MFS provider field staff can provide an initial estimate for the liquidity (cash and e-float) that an agent will need by providing the numbers for other existing agents in the area or district.

Agents will need the service provider's liquidity management procedures explained to them.

Points to Note

The liquidity levels required depend on:

- The average transaction volume of the agent in a typical day.
- The average transaction value for customers.
- The cash-in/cash-out balance determined by the pattern of transactions.
- The maximum transaction size the agent anticipates, based on previous experiences.

Customer Service

Slide 34: Customer service

Good customer service can be a key differentiator for successful MFS agents. While the inherent qualities of women that make them well-suited for a customer-facing role has been described, agents must understand the key skills that will be used when dealing with customers. The training staff must encourage agents to inculcate these qualities and further refine them, to provide a seamless experience for the customer. This in turn will lead to higher footfall and generate more business for the agent.

- **Empathy, patience, and consistency.** Some customers will be irate; others will have many questions; and some will be chatty. Agents must know how to handle all of them and provide the same level of service every time.
- **Adaptability.** Every customer is different, and some may even seem to change week to week. Agents should be able to handle surprises, sense the customer's mood, and adapt accordingly. This also includes a willingness to learn—providing good customer service is a continuous learning process.
- **Clear communication.** Agents must ensure that they convey to customers exactly what they mean. Agents must use positive language, try to stay cheerful, and never end a conversation without confirming that the customer is satisfied.
- **Service range.** Customers appreciate an agent who will see their problem through to its resolution. At the same time, the agent must have good-time management skills and not spend too much time handling one customer while others are waiting.
- **Knowledge.** Ultimately, customers rely on agents for their knowledge about the MFS product. So, agents must stay informed enough to respond to most inquiries and know how to redirect or taper inquiries that become too detailed or technical for them to answer.

Building Capacity among Customers

It is essential for agents to address their customers' capacity gaps. While most customers do not speak to the agent outside of a transactional standpoint, agents must proactively engage their customers to understand if any capacity gaps exist, and must take steps to address them.

- If an agent notices that a customer repeatedly asks for assistance for conducting transactions, then she must take out the time to explain the process in detail. This will ensure that the customer feels a sense of loyalty to the agent, and will lead to repeat transactions.
- The MFS provider should provide updated handouts of different products, as well as pictorial Unstructured Supplementary Service Data menu guides (preferably in the form of screenshots), which the agent can then use to aid customers.
- The agent must take the time to explain processes, rates, and fees, as well as the advantages of particular services to novice users. These users can be identified by their hesitancy to conduct transactions on their own, or their apprehension in using new products and services.
- If the agent is located in a busy marketplace, she may observe some customers who conduct certain types of cash transactions. She can talk to these customers and convince them to use MFS for their payments.
- If an agent feels that particular customers are hindered by their families, she can speak to male members of the family to assure them and explain the services to them, so that they feel more comfortable with a female family member transacting by herself.

Agents also can learn from customers. If an agent notices certain customers who are prolific users of MFS and who use a wide range of services, the agent should interact with the customer to understand the value proposition of using the services, so that she may market the same options to other customers, too.

Compliance and Obligations

Slides 35 to 37: Compliance and obligations

As representatives of the MFS provider and as registered franchisees, there are certain points of compliance and obligations that the agent is required to maintain. The training staff must take agents through these in detail and explain the need for compliance—and the ramifications of not complying with these processes.

Internal business processes

Each provider has a specific process for every business function. At the agent level, these processes drive both structured growth as well as streamlined operations. The agents must understand these

processes, and also understand that deviation from the same is likely to impact their business adversely. These processes may include:

- Acquiring customers;
- Collecting documentation;
- Managing liquidity;
- Conducting transactions;
- Communicating with the MFS provider; and
- Addressing or redirecting grievances.

Points to Note

- Agents must understand that deviation from prescribed processes will result in **adverse impacts** to the business.
- The provider must maintain a **dedicated helpline and staff** to assist agents who have queries regarding the processes to be followed.

Agent outlets' branding

Because agent outlets constitute the customer's first interaction with the MFS provider, it is extremely important to ensure that the outlets are branded properly, using the provider's approved collateral.

Agents have to understand the key benefits of properly branding their outlets:

- Branding imparts knowledge to visitors about the existence of the product and service at the outlet.
- Customers who do not identify the brand may be eager to know about it, providing the opportunity to market the product.
- Branding also attracts the immediate attention of a customer looking for an MFS outlet nearby.
- Branding material from a trusted MFS provider increases an agent's credibility.

Points to Note

- Agents must ensure that the branding materials receive **optimum visibility**. To ensure optimum visibility, they must ensure that each of these materials are placed at their desired location.
- The store's **front space** should provide an area for hanging large banners and glowing signboards.
- The **inside of the store** should be adequately lit, so that customers may read the posters and instruction manual.
- Fliers and brochures should be placed on a **visible rack or point** that is beyond the reach of customers, to avoid misuse of the materials.
- Agents must account for the branding materials provided to them.

Liquidity availability

While the topic of liquidity will be discussed in detail later, agents must understand that they are obliged to maintain the prescribed float levels. Service denial is to be avoided at all costs, and effective liquidity management techniques should be discussed with the agents.

Agents should be encouraged to:

- Constantly monitor the status of their cash and float balances
- Rebalance, if the transactions reach a defined minimum operating level.
- Proactively modify cash and float balances to match routine demand fluctuations—for example, stock more float (e-cash) on salary days to honor high deposits.
- Be aware of all modes of rebalancing the cash—for example, through Internet banking, direct deposit, and agent transfer.
- Adapt the 1.5 stock rule of replenishing float. This works on the premise that an agent needs to have 1.5 times the previous day's outflow (cash and e-money) in stock, to effectively serve customers the following day.

To illustrate this point: If today agent A has provided cash-outs of BDT 100,000 and has accepted deposits or cash-ins worth BDT 50,000, she needs to have cash worth $100,000 \times 1.5 = 150,000$ the next day to effectively serve customers.

The same applies for e-money: $BDT 50,000 \times 1.5 = 75,000$. So, she needs to upload her agent wallet with BDT 75,000.

Thus, the total working capital she will invest is $BDT 150,000 + 75,000 = 225,000$ for the next day, if today she has done business worth BDT 150,000.

Points to Note

- Agents must understand that **no liquidity could lead to service denial**, and this must be avoided at all costs, because it will directly affect customer confidence and patronage.
- The agents must understand the **process of liquidity management** quite well to keep the rebalancing process as streamlined as possible.

Confidentiality of data and information

Agents must understand that confidentiality is the assurance that customers' sensitive information remains private. All confidential data shall be maintained in a secured manner and protected from unauthorized viewing or modification during transmission and storage.

- Agents should ensure that any information collected from the customer is not shared with unauthorized persons. This is especially important in the case of women customers, because of the sociocultural sensitivities involved.
- All documentation and records collected must be stored in a secure manner, with access available only to authorized persons.
- The agent should only transmit or allow data access to authorized staff of the MFS provider. Special care should be taken with sharing women customers' phone numbers.

Points to Note

- Agents must understand that **customer data is privileged** information and should be handled accordingly.
- It should be underscored that agents must take **additional precaution while handling women customers' information**, because it easily could be misused.

Redressing grievances

Slide 38: Grievance redressal

The training staff must detail the grievance-redressal mechanism to new agents. This enables them to handle and resolves customers' complaints successfully and professionally. The agent is the customer's primary contact point, and is required to project the company image. When things go wrong, agents are often the contact point who customers turn to, and expect responses from, even if the problem may have nothing to do with the agent. Customers regard justice as just as important as how their complaints are handled, so it is important that the agent is empowered to make the correct decisions.

What should agents do when faced with aggrieved customers?

At the agency level, agents must be trained to carry out the following activities when a customer has an issue:

- Record the nature of the complaint, along with the complainant's details in a log book, which will be provided by the MFS provider
- Attempt to resolve the complaint at the first level (that is, the agent level), with the help of the provider's field staff.
- Escalate the complaint to the concerned department if the complaint remains unresolved.
- Direct the customer to a means of approaching the MFS provider via a call center or designated department.

Points to Note

- The training staff must explain the organization's **escalation matrix** to agents. This will enable them to direct specific issues and complaints to the relevant department or person.
- If the training staff only provides training on how to handle difficult customers, there is **not enough** effort in place to prevent the problem from happening in the first place. This will lead to recurring service issues and dissatisfied customers and agents.
- Ask agents **not to take it personally** when a customer complains. They should consider a complaint an opportunity to get valuable feedback from customers.
- Agents should be taught to **always offer options** when they cannot give customers exactly what they want. The customers can live with a "no" if it is softened by alternative recommendations.

Providing Support to Women Agents

Slide 40: How will providers support you?

An agent carries the MFS provider's brand and reputation, and serves as an ambassador for the MFS provider. Thus, every provider needs to provide standardized, high-quality support for all their agents—this builds and maintains trust in the system. For this aspect, the agents must be aware that their MFS providers are obliged to offer continuous support, which provides a suitable environment for agents to perform better. It is also important to note that provider support is a highly motivating factor for women agents.

For example, agents can and should seek information from the provider on their regular business operations, such as liquidity, technological challenges, and customer queries. To build the confidence of these new agents, the provider is expected to provide timely support in the following ways:

- Assigning a dedicated executive team from the service provider to offer full-time support.

- Daily support and monitoring on the platform performed by a dedicated audit team.
- Onsite visitation at the agent locations, to offer support on guidelines and procedures.
- Assistance with liquidity management, such as call centers that collect and address agent queries and feedback.

Moreover, the women agents, in particular, will need more handholding support from the MFS provider. Therefore, periodic monitoring is extremely critical toward their sustaining and improving the MFS business. The agent must expect:

- Periodic agency visitations by an internal audit and control department (on a quarterly basis).
- Providing business tools, such as a management information system or other documentation.
- Providing merchandise for marketing activities.
- Assistance dealing with customer problems and concerns.
- Clarity on commissions due.
- Prompt payment of commissions.

The agent must insist on a clear relationship management hierarchy from the MFS provider, to know who to contact for each critical operational procedure. The agent should be aware of the chain of command (that is, who to contact) for the following functions:

- Liquidity;
- Customer management;
- Account opening; and
- Branding and marketing remuneration and business transactions reports.

The agent must be aware that if there is a delay in support from the MFS provider, she has access to a grievance forum that is dedicated only to agents.

Mobile Financial Services' Risks and Mitigation Strategies

Slide 43: There are a number of risks that you may face as agents

New women agents are particularly susceptible to security risks and risks of fraud. Providers have to ensure adequate handholding support during initial operations. It is imperative that the training staff educate the new agents about the possible risks they may face during MFS operations.

The four main types of risks that the agents need to know about are as follows:

Fraud Risks

- Agents must be made aware of counterfeit currency notes that may be used by certain customers. Adequate training must be given to them on how to identify counterfeit notes.
- Phishing and SMS frauds are common in Bangladesh. The training staff must reiterate that agents only deal with authorized representatives of the MFS provider. Special emphasis must be given to the syntax, as well as acceptable phone numbers during the operational training phase.
- Agents must be warned against unauthorized PIN usage. The usual caveats of secrecy and security when it comes to PIN usage must be explained to them in detail.
- Agents should not comply with any requests for transaction reversals. Training staff should educate agents on how to handle such requests, along with who to contact for such issues.

Operational Risks

- Agents must be trained not to leave their transaction devices unsupervised. It is especially important to make them understand the importance of being aware of the kind of customers who visit the outlet, as well as the kind of transactions conducted. In case of any suspicion, the agents must be trained on how to report it to the MFS provider.
- Instances of service denial may be detrimental for the agent's business in the long run. In case technical downtime ensues, agents must be trained on how to handle customers appropriately, without damaging the provider's reputation.
- Agents must be trained to take special care while entering customer details for device transactions. Performing this too quickly could result in typographical errors that lead to failed or wrong transactions. Such transactions may increase agents' operational risks.

Reputational Risks

- Leaving documents unattended or stored in an unsecure location may lead to theft. The details from these stolen documents then may be used to impersonate genuine customers, leading to fraud. Agents must be trained to identify suspicious activity, and as a practice, should demand ID proof from any customer who requests a cash-out. Agents must also maintain a transactions register, to record the details of the transaction and customer.

- There is a risk of improperly verifying KYC documents at the time of account opening. While collecting documents for KYC purposes, agents must proactively verify these documents. In this way, the agent ensures that an account is opened only for the person who is physically present at the time of account opening, and whose details such as photograph, name, and address match the KYC documents. The training staff must ensure that agents are aware of the prescribed processes when orienting new agents. There should not be a large time gap between filling out the customer acquisition form and collecting the KYC documents.

Security Risks

- Women agents are particularly vulnerable to security risks, such as theft and robbery. The training staff must ensure that the new agents understand the underlying problems in any business, which involves some amount of cash holding. Underscore to agents that a proper infrastructure must be maintained to deter potential theft. In particular, the outlet should be located in a busy marketplace where the probability of theft is low.

Points to note:

- Training staff must ensure that new agents are aware of the various risks which they may face while undertaking MFS operations.
- The training staff must also explain both preventive and detective controls which are run at an organizational level to prevent and also mitigate risks.

Slide 44: There are mitigation mechanisms that can be put in place

Women agents must understand that, at the customer level, the onus of fraud detection and prevention is on them.

- They must understand that attending the training provided by MFS providers keeps them updated about possible fraudulent practices in the market.
- Agents must be trained on how to identify counterfeit currency notes and fake text messages. Agents should ensure that they do not leave their outlets unattended.
- The process to be followed while reporting a fraud must be explained to agents in detail.
- They need to be made cognizant of the different kinds of transactions and customers who visit the outlet.
- Sufficient liquidity must be maintained, both in float and cash.
- Agents must be made aware that the collection of original documentation from the customers may reduce the incidence of reputational fraud. These KYC documents should be screened thoroughly, and a copy should be maintained for future reference.

- Agents must understand the importance of adhering to the provider's guidelines on infrastructure, to deter potential theft. They must understand that the outlet should be located in a busy or crowded place, to minimize the possibility of any incidence of theft.

Points to Note

- Training staff must ensure that new agents are aware of the various risks they may face while undertaking MFS operations.
- In case of any suspicion, agents must be told to contact the provider immediately.
- The training staff must also explain both preventive and detective controls that are run at an organisational level, to prevent and mitigate risks.

Training Assessment

Assessing whether new agents fully understood the training topics is a crucial part of the training process. Evaluating training effectiveness is important, because it sheds light on how well the training session met the agent's needs and objectives. It is important to note what knowledge and skills the session imparted to learners and whether these topics were the ones required.

It is essential that every training session be followed with an assessment on the key learnings. This may be both in formal and informal settings.

- Trainers must provide feedback to the trainees regarding their assessment in terms of participation in the training, as well as their scores in any training assessment tests or quizzes.
- It is important to conduct follow-up testing in environments apart from the classroom setting, to understand whether trainees properly inculcated what they learned in the training session.
- Outbound calls from a call centre also can be used as a method to gauge the knowledge levels of trainees post-training.

Last, providers must seek feedback from the trainees about the training session conducted, as well as the trainers. This feedback is useful to streamline and refine the training experience for future trainees. For reference, the appendix includes a sample training evaluation form.

Appendix

Understanding the Mobile Financial Services Landscape in Bangladesh

Slide 49 (HIDDEN): MFS in Bangladesh is rapidly growing

Newly on-boarded female agents must be given a background of the MFS landscape in Bangladesh. The following section can be referred to by training staff to provide a suitable backdrop to their recruitment as MFS agents.

Bangladeshi women are disproportionately financially excluded in Bangladesh. In terms of digital finance, though, the details are even more interesting. Only 18 percent of women (compared to 31 percent of men) in Bangladesh use MFS—and even fewer (only 6 percent of women in Bangladesh) have registered MFS accounts.¹ More than 70 percent of the total population resides in rural and remote areas, of which 50 percent population are women. Formal financial institutions have limited reach in these areas, restricting the spread of basic financial services. Given such constraints and high mobile penetration, MFS can be a powerful catalyst in the near future to bridge the gap between financial institutions and MFS adoption among those with fewer resources.

Bangladesh has a relatively high mobile phone penetration of 78 percent.² It is predominantly a prepaid and second-generation (2G) market; 97 percent of connections are prepaid and 98 percent are 2G.³ In the first half of 2013, smartphones accounted for only 6 percent of total handset shipments. The low 3G penetration is because of the late release of the 3G spectrum in 2013. However, mobile Internet has reached 20 percent penetration by delivering mobile data services using 2G networks. The combination of the increased 3G spectrum, extensive coverage, and increased Internet use in both urban and rural areas means this trend is accelerating. Since 2007, there have been six mobile operators in Bangladesh.

Mobile Financial Services' Growth

Adoption and usage rates of MFS in Bangladesh keep increasing each month, and as of August 2016 there were 373.09 lakh customers of MFS across the country. These customers conducted 123,652,738 transactions in a month, with transactions worth Bangladeshi taka (BDT) 20,343.22 crore. These customers were serviced by a network of 633,294 MFS agents spread across the country. On average, there are 4,120,858 transactions conducted daily, worth BDT 678.11 crore.

¹ According to research conducted by *MicroSave* for this project, the percentage of women who use registered MFS accounts is 6 percent.

² GSMA (2014). *Country Overview: Bangladesh*, GSMA Intelligence. <https://www.gsmainelligence.com/research/?file=140820-bangladesh.pdf&download>.

³ GSMA (2014).

Grameenphone is the dominant operator, holding a 42 percent market share of voice customers at the end of 2015.

Following several years of deliberations and ad hoc permissions on MFS, the Department of Currency Management and Payment Systems of Bangladesh Bank, the country's central bank, issued "Guidelines on Mobile Financial Services (MFS) for the Banks" on 22 September 2011 which were subsequently amended on 20 December 2011. In the few years since the launch of the MFS guidelines, the sector has shown significant growth. As MFS in Bangladesh is a bank-led model, most MFS products are rolled out in collaboration with the banks or with MFS network aggregators. Bangladesh Bank has allowed 28 banks to offer MFS, of which 19 banks have already started to work on their MFS products in some capacity, either by a rollout or finalization of platforms and strategy.

MFS's rapid growth and evolution has had a huge impact on both social interactions and on the country's economic progress. The industry continues to see massive expansion as an increasing proportion of the population becomes connected. MFS providers are diversifying their products and services to generate additional sources of income.

This growth has created lots of opportunities for employment and entrepreneurial activity. However, in Bangladesh, women have been less able to seize these opportunities, for a variety of reasons that reflect underlying gender inequality—for example, lower levels of education, lack of startup capital, restrictive gender roles, and lack of confidence.

Training Evaluation Form for Agents

We are keen to get your feedback and recommendations on how to improve our trainings. Please help us by taking a few minutes to fill out this form and give us your honest and forthright comments. Thank you.

(Optional)

Name:

Name of Agent:

Area:

Date of Training:

(Please use the following marking Scale:

1: Very Poor 2: Poor 3: Reasonable 4: Good 5: Excellent)

Section I: Training Content, Design, and Method

Relevance of training content to your work	1	2	3	4	5
Quality of training material	1	2	3	4	5
Quality of manual and other documents given	1	2	3	4	5
Level of detail covered by the training	1	2	3	4	5
Overall assessment of training	1	2	3	4	5

Comments:

Section II: Performance of Trainers

Name of trainer:

Ability and availability to answer questions	1	2	3	4	5
--	---	---	---	---	---

Ability to facilitate learning	1	2	3	4	5
--------------------------------	---	---	---	---	---

Section III: Your Comments and Suggestions

What I liked most about the training:

What I liked least about the training:

Any other comments or suggestions for improvement:

Final Assessment	Yes	No
Will you be able to implement what you learned into your work?		
Did the training meet your expectations?		
Would you recommend this training to others?		

Additional training support needed, or any other comments: