

QUESTION GUIDE: ASSESSING YOUR OPERATOR

This question guide accompanies the ELAN Mobile Money Assessment and Contracting Guide, which explains the significance of the question areas listed below for implementing a successful program.

GENERAL INTRODUCTORY QUESTIONS:

1. Where do you have coverage, and what percentage of the market do you reach in these areas?
2. What fees do the clients pay? (other than by the NGO bulk payer)
3. Are there any limitations on service (e.g. maximum cash out, validation of the name of the SIM holder)¹?
4. Do you offer any complementary products and services?

KEY:

Color indicates to whom each question should be directed.

- Question for head office
- Field observation
- Question for field agent

ASSESSING OPERATIONAL CAPACITY (SEE PART 1)

1. QUESTIONS FOR HEAD OFFICE

1.1 Questions for head office about **agent capacity**

Question	Best in Class	Average	Poor and Troublesome
<p>Where exactly are your agents located? How many agents are in the specific areas/communities targeted by our program?</p>	<p>Presents a map with up-to-date GPS locations of agents. Agent density is within the range of 1 agent per 150-800 registered customers in your target areas.</p> <p>An average of 500 active customers per agent is an ideal target and demonstrates good agent management from the operator.</p>	<p>Directs you to a set of agent locations in printed form or online. Agents exist in your target areas, but agent density is 1 agent per fewer than 150 registered customers.</p> <p><i>(Note: these ratios are most relevant in urban areas where agents are likely not to have another business. If rural areas are served by retail businesses that also serve as agents, coverage aligning with participant locations is more important than agent-to-customer ratios.)</i></p>	<p>Cannot or will not provide information on agent locations; may refer to business names in communities without providing specific locations or contact details.</p>

¹ This validation step can cause delays if the program participant gives a phone number based on a SIM that was purchased/registered by someone else (often a family member or a friend).

1.1 Questions for head office about **agent capacity** (continued)

Question	Best in Class	Average	Poor and Troublesome
<p>In our target communities, how many transactions do your agents perform, on average, per day? Are agents mostly cash-in or cash-out agents?</p>	<p>Shares in great detail the volume and type of transactions taking place in your target areas. Agents perform 30 or more transactions/day, which demonstrates that they have a reliable business that they want to promote – which, in turn translates to maintaining good liquidity to service customers.</p>	<p>Provides anecdotal evidence of agent activity. Agents perform 15-30 transactions/day.</p>	<p>Operator may be unable to answer this question. Agents perform 15 or fewer transactions/day.</p>
<p>How are agents monitored and supported by the operator? How often are they visited by operator staff, and what happens during those visits?</p>	<p>Support visits take place every two weeks by a dedicated field-based field marketing organization (often a third party employed by the operator).</p> <p>Visits ensure that agents have appropriate training, confirm that site materials are visible and customer information clearly displayed and educates the agents on any promotions to be launched.</p> <p>Issues of liquidity or poor performance are raised and solutions addressed.</p>	<p>Agents are visited once/month or less often by a head office-based agency management team.</p> <p>Visits cover the similar topics as best-in-class answer. Calls from head office may be used in lieu of some in-person visits.</p>	<p>Agents may only receive a support visit once every six months.</p> <p>Visits cover the similar topics as best-in-class answer. Calls from head office may be used in lieu of some in-person visits.</p>
<p>Do you segment or grade your agents? If so, what is the grading structure? In <insert target area>, what category do agents fall into?</p>	<p>Has a clear grading system for agents that impacts management strategies. High-performing agents may receive incentives such as access to new marketing materials and/or agent loans. Lower-performing agents receive support from a dedicated field marketing team.</p>	<p>Segments agents to identify where new agents are required, but does not know which agents are performing well/poorly. There is no system to reward good agent performance or improve upon poor performance.</p>	<p>Does not segment or grade agents; does not implement differentiated approaches to supporting agents at different performance levels.</p>

1.2 Questions for head office about **liquidity**

Question	Best in Class	Average	Poor and Troublesome
<p>What is your cash management strategy? How do you ensure that agents maintain enough cash liquidity?</p>	<p>Systems are in place to monitor demand for cash and agents' cash on hand.</p> <p>Advanced operators may also have automated forecasting models to help managers improve liquidity decision-making, calculate at what frequency cash should be replenished at each site, and in what amount cash should be delivered.</p>	<p>Agents manage their own liquidity. New agents are given access to cash partners (usually banks) and rebalance with the bank when required. Liquidity rebalances are done on a weekly basis and toward the end of this period, agents may have insufficient cash or e-money liquidity. The operator may try and place a high reliance on cash partners or agent aggregators to provide additional cash liquidity during the (program) bulk transfer period.</p>	<p>No tools exist at the head office to manage agent liquidity.</p> <p>Instead, the operator relies on customer complaints to identify agents with poor cash liquidity.</p>
<p>Who within your organization is responsible for monitoring liquidity? How are agents connected to the cash handling network?</p>	<p>A dedicated operator management team monitors cash and e-money liquidity on a daily basis, and intervenes if it identifies trends affecting liquidity.</p>	<p>Agents manage their own liquidity. If the operator receives complaints about liquidity, they may work with local cash handlers to boost local capacity.</p>	<p>There may not be a person with designated responsibility to manage liquidity.</p>
<p>How much cash liquidity do agents have, and how quickly do your cash partners provide liquidity when needed? Will they be able to provide cash-out services for <insert number> additional customers over the course of a week?</p>	<p>Responds with a clear understanding of the cash and e-money liquidity of their agents.</p> <p>They may be able to demonstrate the systems they use to monitor and control agent liquidity. Best in class operators also understand that agents are different (e.g., some mostly perform cash-out, some mostly perform cash-in, and some are more balanced.)</p> <p>They ask about the needs of your program, acknowledge and plan for the potential need to work with the agents and cash partners to provide extra liquidity for the duration of your program.</p>	<p>Will be aware that cash liquidity is an on-going challenge for agents and may have negotiated cash partnerships for agents to re-balance and obtain cash liquidity. However, they will likely not have an active monitoring system themselves, instead relying upon the agents and cash partners to manage liquidity issues.</p>	<p>May dodge the question or provides an incomplete or misleading answer. The operator may be downplaying known problems with liquidity or truly does not have a complete grasp of how problematic cash liquidity can be. Either response raises questions about the operator's quality.</p> <p>Any operator who tries to convince you that liquidity is not a problem without having asked for full details of your program is demonstrating a lack of understanding.</p>

1.3 Questions for head office about **new customer registration**

Question	Best in Class	Average	Poor and Troublesome
<p>What strategies do you have in place to enroll large numbers of new customers at one time?</p> <p>When have you done this previously?</p> <p><i>(Note: See the ELAN Data Starter Kit KYC Tip Sheet for more information about national KYC regulations.)</i></p>	<p>Whether or not they have direct experience, these operators will understand the challenges of mass registration. Best in class operators will ask you to confirm the KYC information you have collected and will be aware if their country's financial regulations permit bulk registration. (If bulk registration is allowed, it will typically be performed by their IT services department.)</p> <p>These operators will suggest customer training to raise awareness of terms and conditions for mobile money account holders. They will ensure that new customers receive SMS to inform them they have been registered.</p>	<p>These operators will want you to provide KYC information for your program participants and will work with their IT department to conduct bulk registration if regulations permit.</p>	<p>These operators will not have a proposed process for registration or may expect the NGO to register each customer individually.</p> <p>Alternatively, they may also be willing to do a bulk registration of your program participants – even if such registration is not permitted by law.</p>
<p>What type of training / support are you able to provide for your new customers? Can agents be utilized as a part of our trainings for new users?</p> <p>How are key fees, terms and conditions new customers need to be aware of communicated?</p>	<p>This operator will demonstrate a willingness to arrange training for your program participants to ensure a good customer experience. Typically, they will suggest that agents deliver training. Depending upon your program's size, the operator may also suggest carrying out special training sessions.</p>	<p>Average operators will likely inform their relevant agents of the expected surge in demand due to your program and may require that they perform training and explain account membership details. However, there will be little or no follow-through by the head office on whether trainings took place as planned.</p>	<p>This operator will share fee details with you, however this information may not be readily available. They will not think to engage their agents to meet your training needs, likely suggesting that you train your program participants on account management yourself.</p>

1.4 Questions for head office about **customer service**

Question / Observation	Best in Class	Average	Poor and Troublesome
<p>What customer service mechanisms exist? What languages are they available in, and what are their operating hours? Are there fees associated with accessing customer service? How do program participants notify the operator of agent malpractice?</p> <p><i>(Note: See section 2.4, which encourages you to test the customer service mechanism to confirm these responses.)</i></p>	<p>The best customer care operations are provided from the USSD menus, separate IVR phone lines, and options to walk-in at any operator brick-and-mortar location. These operators will usually support the country's major languages and will be free to use.</p> <p>These operators will have a clear avenue for customers to report an agent for suspected malpractice and will highlight this service on their website.</p>	<p>Customer care is usually provided through a free-to-use 3-5 digit phone number and then via IVR. Typically it is available in the country's two or three most common languages.</p> <p>Average operators will support the ability for customers to report an agent for suspected malpractice using the normal customer care channel. Processes to ensure there is adequate follow-up exist but are not always followed.</p>	<p>Customer care is available via a phone and IVR system, but it takes a long time for someone to respond. Operators are untrained and do not successfully resolve problems.</p> <p>Poor and troublesome operators will support customers' ability to report an agent for suspected malpractice using the normal customer care channel. However, complaints are rarely followed up directly with the agent and few or no internal processes exist.</p>

2. FIELD QUESTIONS AND OBSERVATIONS

2.1 Agent network field questions and observations

Question / Observation	Best in Class	Average	Poor and Troublesome
<p>(Observation) Are point of sale marketing materials and customer information items such as prices, agent number and terms and conditions clearly displayed and in good condition?</p>	<p>Yes.</p>	<p>Yes, though a bit weathered and possibly cluttered by other advertising.</p>	<p>No, or difficult to see.</p>

2.1 Agent network field questions and observations (continued)

Question / Observation	Best in Class	Average	Poor and Troublesome
<p>(Observation) Are agents following operator requirements and best practices for transactions, including:</p> <ul style="list-style-type: none"> ➤ Checking customer IDs when required ➤ Not accessing / using the customer's PIN ➤ Completing any required documentation (e.g., transaction log books or sales records) 	<p>Yes. Agents understand and follow regulations for checking customers ID, noting transactions in log-books (if required). Agents do not perform transactions on behalf of customers.</p>	<p>Documentation is completed, but is hard to read. Agents conduct cursory ID checks.</p> <p><i>(Note: this may be difficult to observe as an outsider. Asking a few questions of a mobile money user about their typical experience may help triangulate.)</i></p>	<p>If required, documentation books exist, but are not regularly used. Agents do not check IDs (customers do not present ID and are not asked); agents perform transactions for customers, only passing the phone to them to enter their PIN.</p>
<p>(Observation) Cross-check several agent locations with information provided by the operator's head office or website. Does reality match the sales pitch?</p>	<p>Near 100% accuracy on their agents, all of whom will be available to serve customers.</p>	<p>Approximately 70% accuracy on their agents. Some may have moved, be closed or have switched to other operators without the operator having updated their records.</p>	<p>Less than 70% accuracy on their agents. Agents may have moved location, be closed, or switched to support other operators.</p>
<p>What kind of training did you initially receive? What kind of support to you currently receive from the operator? On average, how many customers do you see per day? Per week?</p>	<p>Cross check with information provided by operator – the same evaluation criteria from 1.1 apply.</p> <p>Some discrepancies are likely, even for best in class operators, as some responses will vary by agent but the scope of inconsistencies between sales pitch and agent observation will be more significant for poor and troublesome operators. If you raise these discrepancies with head office, best in class operators will have processes for resolving them.</p>		

2.2 Liquidity management field questions and observations

Question / Observation	Best in Class	Average	Poor and Troublesome
<p>Does the agent have sufficient liquidity to support the additional recipients' cash out needs? Ask to see the agent's record book (often shared upon request) to see the number of cash-outs per day.</p> <p>(Observation) Where is the agent located? What does this indicate about their available liquidity?</p>	<p>More than 25 cash-outs/day means the agent is running a profitable business and will care about their customers needs – providing extra liquidity if they are aware of future demands.</p> <p>Agents behind bars can be a good indicator that they have cash available on the premises.</p>	<p>15-25+ cash-outs/day means the agent is running a profitable business and will care about their customers needs – providing extra liquidity if they are aware of future demands.</p> <p>Lower than 15 cash outs/day may indicate a niche business for the agent and consequently the agent may not keep large amounts of cash liquidity available.</p>	<p>Agent does not have record book, or it is incomplete or shows a low number of cash-out transactions.</p> <p>Agent will only keep small amounts of cash available and is unlikely therefore to increase their cash balances leading to poor quality service to your recipients.</p> <p>An agent under an umbrella in public could indicate that they have low cash availability.</p>

2.3 New customer registration field questions and observations

Question / Observation	Best in Class	Average	Poor and Troublesome
<p>Have you participated in mass registration campaigns for new customers before? Would you be willing to do so? Why or why not?</p>	<p>Agents have participated in mass registration campaigns before.</p> <p>Operator provides compensation incentives for agents to support registration and training activities.</p>	<p>Agents express willingness conduct training and registration.</p>	<p>Agents express disinterest in registration and training activities (particularly if head office communicated that agents will have this responsibility).</p>
<p>(Observation) Observe agents enrolling new clients (or have a staff member open up an account to test procedures). Are terms, conditions, etc. clearly explained to new customers? Does the agent provide a clear explanation of the terms of service? Is the KYC information checked? Do they keep a log of transactions?</p>	<p>Agent requires KYC information and follows correct registration procedure.</p> <p>Customer terms and conditions are displayed clearly and agent may also take time to explain service to new client.</p> <p>There may also be some documentation on site that explains the service(s) available for new customers.</p>	<p>Agent asks for KYC information and follows correct registration procedure.</p> <p>Customer terms and conditions may be weathered and not visible. Agent may or may not explain the service to the new client.</p>	<p>Agent opens new account without reference to the KYC identity documentation, or even fakes this to register the new client.</p> <p>Customer terms and conditions are not visible and the agent does not explain the service.</p>

2.3 New customer registration field questions and observations (continued)

Question / Observation	Best in Class	Average	Poor and Troublesome
(Observation) Do agents prominently display fee information?	Yes, all agents.	Some agents.	No.

2.4 Customer service questions and observations

Question / Observation	Best in Class	Average	Poor and Troublesome
(Observation) Try using the customer service mechanisms. Do they function as advertised?	Calls are answered quickly, multiple languages are available, ID is checked if you try to perform any transaction. The operator is knowledgeable about your query.	Calls are answered relatively quickly, the operator is not very knowledgeable about the service, you may not be asked for your ID or may be able to proceed without providing it.	Calls are not answered quickly; limited language options are available; operators are unable to answer your questions or seem unwilling or unable to help.

3. ASSESSING YOUR OPERATOR'S TECHNOLOGY (SEE PART 2)

Below are operational questions for the operator's head office and how to evaluate the answers.

Question	Best in Class	Average	Poor and Troublesome
SMS Notification: Can your service configure a text message so that recipients know a transfer is coming from us?	SMS text can be fully configured to name the NGO and program associated with a transfer (e.g., "You have just received KES500 from Save the Children's Nakuru Maternity Project")	Only the generic money received SMS is available.	

Operational questions for the operator's head office and how to evaluate the answers (continued)

Question	Best in Class	Average	Poor and Troublesome
<p>Bulk Registration: Do you support sending to unregistered recipients?</p> <p>Can you support automatic bulk registration for our program participants?</p> <p>(See also sections 1.3 and 2.3 on field registration capacity.)</p>	<p>Unregistered recipients can be included in the bulk transfer.</p> <p>Automatic bulk registration can be completed (if regulations allow).</p>	<p>Unregistered recipients can be included in the bulk transfer.</p> <p>Manual bulk registration may be possible (if regulations allow) or the operator may work with you on a registration campaign.</p>	<p>Only registered recipients can be included in the bulk transfer.</p> <p>Unregistered customers will need to complete registration before receiving a transfer; this is a separate process, typically administered by local agents.</p> <p>Automatic bulk registration is not supported even if permitted by regulation.</p>
<p>Payer Interface: Do you support input as a data file?</p> <p>Do you support input as an Excel spreadsheet?</p> <p>Can disbursements be scheduled for a specific time? For example, if want payments to be made on Saturday, 21 May between 10 AM and 12 PM; is that possible?</p>	<p>Yes, data file input is an option and the operator can provide example formats and documentation.</p> <p>Disbursements can be scheduled to commence at any time, and usually have a capacity of hundreds of sends/minute.</p>		<p>Operator asks for data in Excel format only.</p> <p>Operator will offer to schedule disbursements, but will not commit to a particular number of sends/minute.</p>
<p>Payment Platform: Does your e-money system have an API for bulk disbursement?</p>	<p>Yes, an API is available, enabling the NGO's (or aggregator's) IT systems to manage the bulk sending process by directly communicating with the operator's payment platform.</p> <p>These operators will also support other methods of sending participant information and payment instructions. (See previous response.)</p>	<p>No, an API is not available. Other options may be available, such as data file input.</p> <p>The operator can share sample formats for data files.</p>	<p>No, an API is not available.</p> <p>Operator requires data in an Excel sheet.</p>

Operational questions for the operator's head office and how to evaluate the answers (continued)

Question	Best in Class	Average	Poor and Troublesome
<p>Error messaging:</p> <p>(1) What error conditions does your system recognize?</p> <p>(2) What is the retry procedure?</p> <p>(3) What happens if:</p> <p>a) E-money is sent to a registered user and fails?</p> <p>b) E-money is sent to an unregistered user and fails?</p> <p>c) E-money is sent to an unregistered user and the 'voucher' validity time elapses before redemption?</p>	<p>(1) The failure conditions can be shared in a document.</p> <p>These failure conditions may include: wallet limits exceeded, money transferred, but SMS not received (if phone is switched off), and number does not exist.</p> <p>(2) Retries will take place for each error according to the rules of the system. An error and retry report is produced.</p> <p>(3) (a) (b) Automatic return of the funds to the NGO's dispersal account upon failure so that it can be immediately used again.</p> <p>(c) Automatic return of the funds to the dispersal account (minus any send fees) upon timeout so that funds can be used again.</p>	<p>(1) Basic failures (see best in class response) are recognized.</p> <p>(2) Failure records may be retried, or may just be reported as failures. Documentation may or may not be available.</p> <p>(3) (a) (b) Allocation of the funds to a suspense account upon failure awaiting an investigation into the failure.</p> <p>(c) Automatic return of the funds to the dispersal account (minus any send fees) upon timeout so that it can be used again.</p>	<p>(1) Basic failures (see best in class response) may be recognized but these conditions are not documented.</p> <p>(2) As the process is manual, the retries are also manual and may be limited based on the time available. Documentation is not available.</p> <p>(3) (a) (b) The NGO needs to co-ordinate a re-send with the operator once the issues are identified and resolved.</p> <p>(c) Automatic return of the funds to the dispersal account (minus any send fees) upon timeout so that it can be used again.</p>
<p>Error resolution:</p> <p>What is your process for correcting errors?</p>	<p>Some errors (e.g. limits failures) will be automatically retried after a short period.</p> <p>You will also receive an error report and you will have an opportunity to correct more complicated failures (e.g. phone no longer available) before the operator retries again.</p>	<p>You will receive an automated error report and you will have an opportunity to correct failures (e.g. phone no longer available, KYC/AML limits exceeded) before the operator retries again.</p> <p>The retry will be a separate bulk or individual transfer.</p>	<p>You will receive a manually produced error report and you will have an opportunity to correct failures (e.g. phone no longer available, KYC/AML limits exceeded) before the operator retries again.</p> <p>The retry will be a separate bulk or individual transfer.</p>

Operational questions for the operator's head office and how to evaluate the answers (continued)

Question	Best in Class	Average	Poor and Troublesome
<p>Reporting Capabilities: (1) Can I see an example of an audit report for your bulk transfer service? <i>(Note: An operator will often say that the audit report cannot be shared, because it contains confidential information. You can ask to see an anonymous audit report instead.)</i> See ELAN Mobile Money Assessment and Contracting Guide for what to look for in this sample report. Review the report to determine if it was system-generated (more reliable) or was human-generated (more error-prone). Use of a manual system does not preclude usage of that operator, but it will allow you to consider how you measure and monitor success, especially now that you have identified the risk factors.</p> <p>(2) Can the audit report include whether the recipient has cashed out?</p>	<p>(1) Provides a full audit report produced by an automated system (consistent formatting, time stamp, etc.)</p> <p>(2) The audit report can show recipient cash-out information (the mark of a sophisticated system).</p>	<p>(1) Operator is able to show you an example of an audit report that shows successful transactions, failed transactions, retries, and reasons for failure.</p> <p>Audit report has been created automatically and shows signs of being system-generated (consistent formatting, time stamp, etc.)</p> <p>(2) The audit report does not show recipient cash-out activities.</p> <p><i>(Note: if you are having trouble determining whether a report was system- or human-generated, comparing two audit reports produced at different times can often show formatting differences suggesting human-generated audit reporting.)</i></p>	<p>(1) Operator is unable to show you an example of an audit report; the audit report provided in handwritten; or the audit report is not automated (signs of human creation including erratic formatting, spelling errors, etc.)</p> <p>(2) The audit report does not show recipient cash-out activities.</p>
<p>Interoperability: Do you offer interoperability with other mobile money providers? (If yes) Which ones?</p>	<p>Operators that offer interoperability will demonstrate how they can transfer funds across networks. This will often reduce the need for registration as your recipients may already be on another operator's network.</p> <p><i>(Note: when transfers are sent to another operator's network, the sending operator cannot be responsible for the other network's agents' liquidity availability.)</i></p>	<p>Most operators do not offer an interoperable service and will refer to their 'send to unregistered' service. (See Part 2 of Mobile Money Assessment and Contracting Guide for more information.)</p> <p>Funds sent to an unregistered customer will be held awaiting the redemption from the recipient. After a period of time any unredeemed value will be returned to the NGO and the transaction noted as 'Not Sent'.</p>	