



Management Information Systems: Planning and Selection

**“Is the ‘Software as a Service – SaaS’
model nowadays a real option for MFIs?”**

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Agenda

- ✓ **Introduction EMN and JASMINE**
- ✓ **Introduction of *MIS Planning & Selection* and its challenges**
- ✓ **Panel experience**
- ✓ **Discussion**
- ✓ **EMN eLearning Platform**



About EMN...

- ✓ The **European Microfinance Network** (EMN) was created in 2003 and currently has 91 members in 21 European countries.
- ✓ The **mission of EMN** is to promote microfinance as a tool to fight social and economic exclusion and to promote microentrepreneurship and self-employment.
- ✓ **EMN supports its members by:**
 - making their working environment more favourable, both at European and national levels.
 - helping them grow and develop so that they become sustainable organisations that respond to specific market needs.



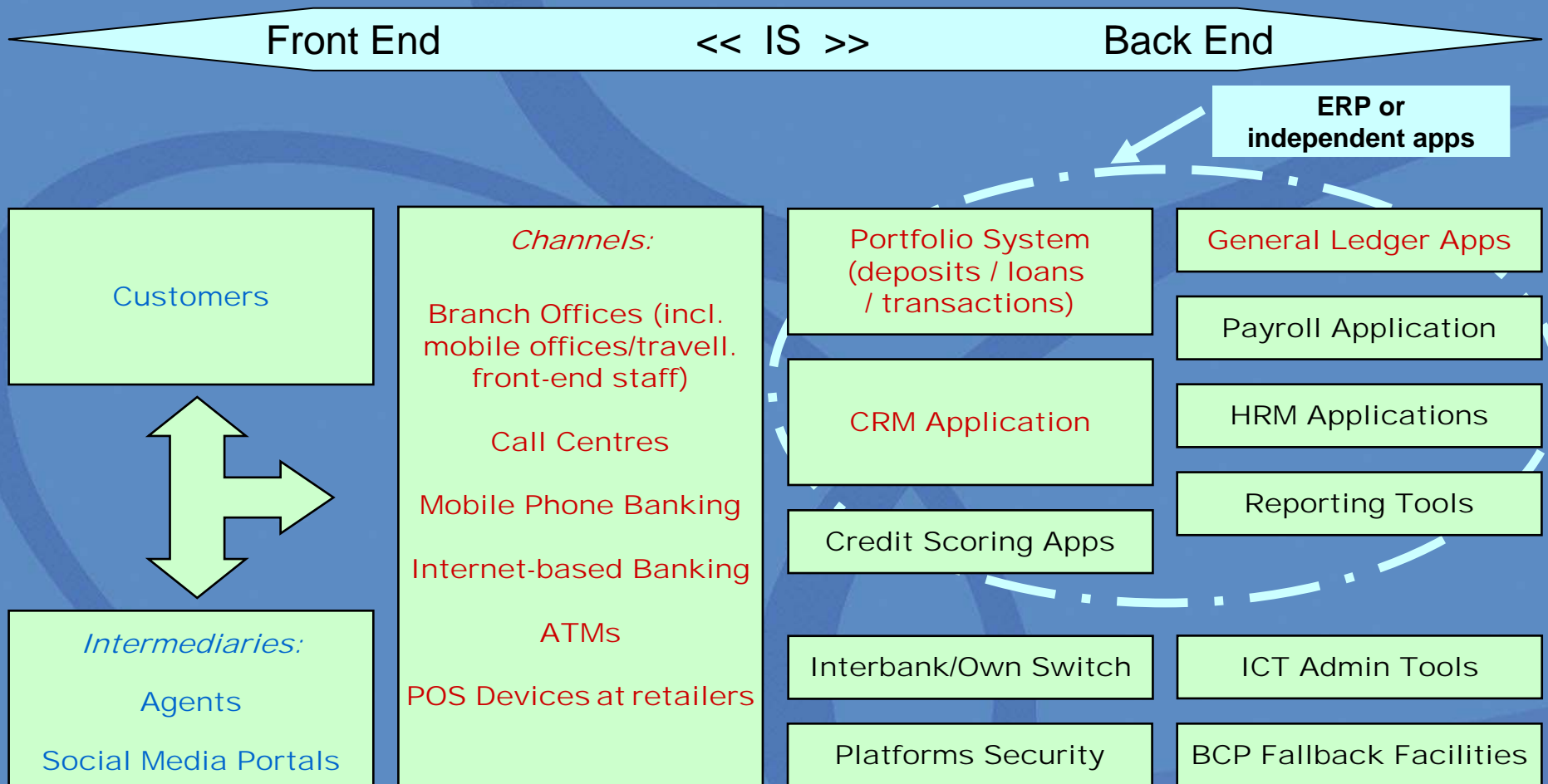
About JASMINE...

- ✓ JASMINE (Joint Action to Support Microfinance Institutions in Europe) was created in 2007 and is **a joint initiative** of the European Commission, the European Investment Bank (EIB), and the European Investment Fund (EIF)
- ✓ JASMINE's **principal objectives** are to:
 - enhance the capacity of non-bank micro-credit providers/micro-finance institutions; and
 - help them to become sustainable and viable operators in the micro-credit market.

JASMINE is managed by the **European Investment Fund (EIF)**



Management Information Systems an overview





Pro's and Con's of three Technology Solutions

BUY

BUILD

OUTSOURCE

- Low to medium cost (upfront & running costs)
- Shortest implementation phase but requires proper vendor management
- Relative bug free free
- Require vendor's tech support and update and patch release schedule
- Unlikely to fully match expectations and particular requirements
- Future expansion could force change of vendor



Pro's and Con's of three Technology Solutions

BUY

BUILD

OUTSOURCE

- High cost & high risk
- Longest implementation phase and could divert resources away from core business of MFI
- Requires stable, qualified, and experienced technical support and proper ICT project management
- Can be fully adapted to institution's policies and procedures
- Future modifications to match institutions' changes can be done in-house (if adequately chosen)



Pro's and Con's of three Technology Solutions

BUY

BUILD

OUTSOURCE

- Low upfront costs and medium running costs
- Short to medium implementation phase but requires proper ASP management
- Likely to operate low error free and with high uptime, but high dependence on connectivity
- Depending on ASP and contract, sys modified or standard
- Integration with non-ASP systems may be problematic
- Compliance issue possible (depending on national legislation re. privacy – and financial sector matters)
- High dependence on ASP, that needs to develop into a “trusted partnering” role to sustain



Dealing with different Pricing Models

- ☑ **Upfront Costs (investment v.v. costs)**
- ☑ **Depreciation & Running Costs**
- ☑ **Tiered Pricing (volume discount)**
- ☑ **Unit of Pricing (number of accounts, users/workstations, connected servers, time)**

- **Equally important to consider also: In-house Costs**
- **Use: TCO (Total Cost of Ownership) principle**
- **Comparing pricing options (cases for: current, realistic growth, optimistic growth)**



Quick Reference Good Planning/Selection Guides

- ✓ **EMN** – MIS Guideline (new, Nov/Dec 2011)
- ✓ **CGAP** – IS Implementation Guideline (2008)
- ✓ **DAI (USAID/MBP)** – MIS Evaluation Framework (1999)
- ✓ **CISCO** – *website section* Evaluation Guideline
ASP Security for Enterprises
- ✓ **Microfinance Gateway** – *website section*
Technology Web Resource Guide
- ✓ **Mix Market** – *website section* Service Providers



Challenges with SaaS

- ✓ **ASP market in country**
- ✓ **Effective legal environment in country for SaaS implication and SLAs**
- ✓ **Compliance and legal issues for MFIs using SaaS model**
- ✓ **Cost benefit in case of “dual (batch & online) mode” SaaS**
- ✓ **Effective MFI’s Board oversight on ICT**



Experience with the Three Technology Solutions

Over to the three panellists, each with in-depth
experience and understanding in African,
European and global context



Q&A, reflections, thoughts...

- “Is the ‘Software as a Service – SaaS’ model nowadays a real option for MFIs?”





- ✓ For further questions or comments, the EMN e-learning Platform is open for Q&A:

<http://elearning.european-microfinance.org/>

- ✓ You can also contact directly:

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