OPPORTUNITY
EduFinance

A D G

SUPPORTING THE OPPORTUNITY EDUFINANCE INITIATIVE: CAPACITY BUILDING MEASURES

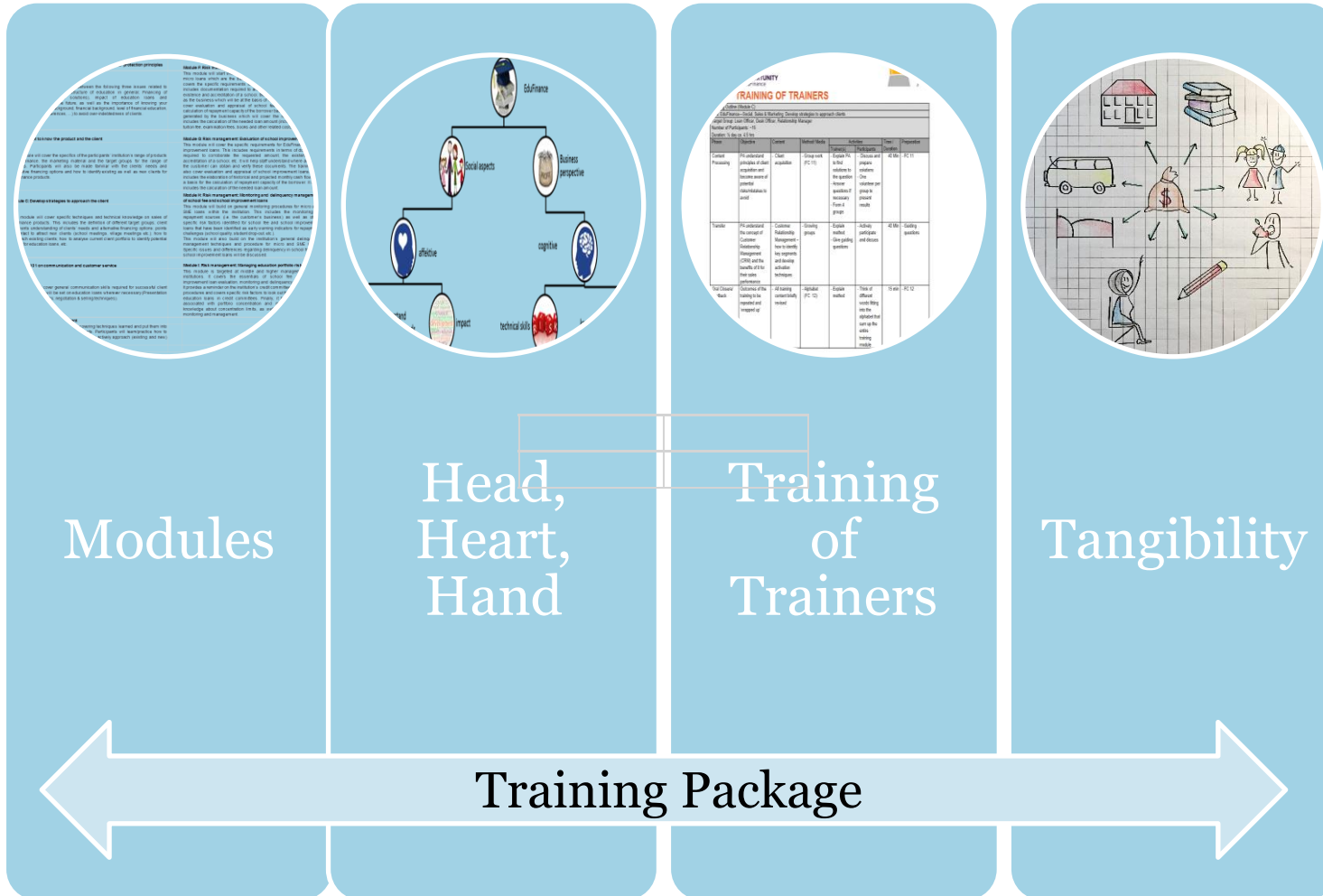*Dedicated to your success.*

OI overall target: *„MFI Staff is able to distribute high number in education loans whilst ensuring high portfolio quality..“*

- Bringing different objectives and products into alignment
  » High risk products vs. high development-, social potential

- Centralising approach in a decentralized setting
  » ADG-training as a platform for standardization of OI trainings in various countries, with different trainers, for different MFIs..

- Gaining commitment and motivating MFI staff
  » Interactive training approach; convincing MFI-”bankers” of social targets

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TRAINING REQUIREMENTS ➜ CORE ISSUES

KYC: Know Your Customer (Identification / Verification)

KYC/ KYR (know your risk): protect MFIs from frauds and NPLs

UYS (Understand your social responsibility): help clients to really understand the product

UYP (Understand your products) know the specific features of EduFinance

UYC: understand clients` family and financial background

Be able to communicate, advise effectively, and be successful.

KYS (Understand your social responsibility): protect clients from over indebtedness

UYP: provide clients with appropriate financial products

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TRAINING IMPLEMENTATION ➔ SPECIAL FEATURES

Modules

Head,
Heart,
Hand

Training
of
Trainers

Tangibility

Training Package

MODULES

Module A: Social aspects of education loans and customer protection principles

This module will build the bridge between the following three issues related to EduFinance: Importance and structure of education in general; Financing of education (problems and solutions), impact of education loans and indicators/objectives for the future, as well as the importance of knowing your customer well (family background, financial background, level of financial education, needs, education preferences, …) to avoid over-indebtedness of clients.

Module B: Get to know the product and the client

This module will cover the specifics of the participants' institution's range of products on Edufinance, the marketing material and the target groups for the range of products. Participants will also be made familiar with the clients' needs and alternative financing options and how to identify existing as well as new clients for EduFinance products.

Module C: Develop strategies to approach the client

This module will cover specific techniques and technical knowledge on sales of Edufinance products. This includes the definition of different target groups; client segments understanding of clients' needs and alternative financing options; points of contact to attract new clients (school meetings, village meetings etc.); how to approach existing clients; how to analyse current client portfolio to identify potential clients for education loans, etc.

Module D: 101 on communication and customer service

This module will cover general communication skills required for successful client interaction. A focus will be set on education loans wherever necessary (Presentation & communication skills; negotiation & selling techniques).

Module F: Risk management: Evaluation of school fee loans

This module will start with a reminder of general appraisal concepts of micro loans which are the basis for school fee loans. Furthermore, it covers the specific requirements for appraising school fee loans. This includes documentation required to analyse the requested amount, the existence and accreditation of a school, the existence of a child, as well as the business which will be at the basis of repayment. The module will cover evaluation and appraisal of school fee loans. This includes calculation of repayment capacity of the borrower based on the cash flows generated by the business which will cover the repayments. It also includes the calculation of the needed loan amount (including for example tuition fee, examination fees, books and other related costs).

Module G: Risk management: Evaluation of school improvement loans

This module will cover the specific requirements for EduFinance school improvement loans. This includes requirements in terms of documents required to corroborate the requested amount, the existence and accreditation of a school, etc. It will help staff understand where and how the customer can obtain and verify these documents. The training will also cover evaluation and appraisal of school improvement loans. This includes the elaboration of historical and projected monthly cash flows as a basis for the calculation of repayment capacity of the borrower. It also includes the calculation of the needed loan amount.

Module H: Risk management: Monitoring and delinquency management of school fee and school improvement loans

This module will build on general monitoring procedures for micro and SME loans within the institution. This includes the monitoring of repayment sources (i.e. the customer's business) as well as other specific risk factors identified for school fee and school improvement loans that have been identified as early warning indicators for repayment challenges (school quality, student drop-out, etc.). This module will also build on the institution's general delinquency management techniques and procedure for micro and SME loans. Specific issues and differences regarding delinquency in school fee and school improvement loans will be discussed.

Module I: Risk management: Managing education portfolio risk

This module is targeted at middle and higher management within institutions. It covers the essentials of school fee and school improvement loan evaluation, monitoring and delinquency management. It provides a reminder on the institution's credit committee guidelines and procedures and covers specific risk factors to look out for when approving education loans in credit committees. Finally, it touches upon risks associated with portfolio concentration and refreshes participants' knowledge about concentration limits, as well as loan concentration monitoring and management.
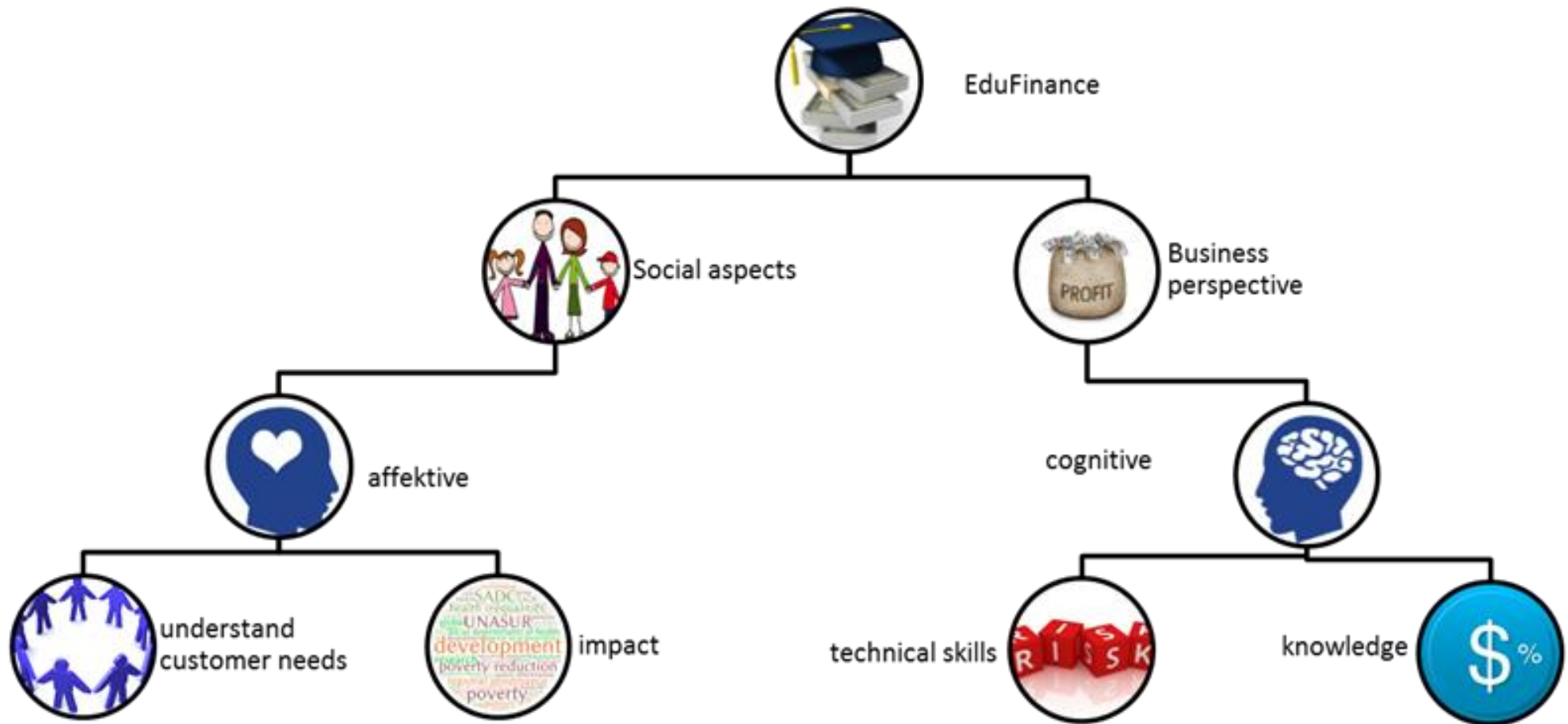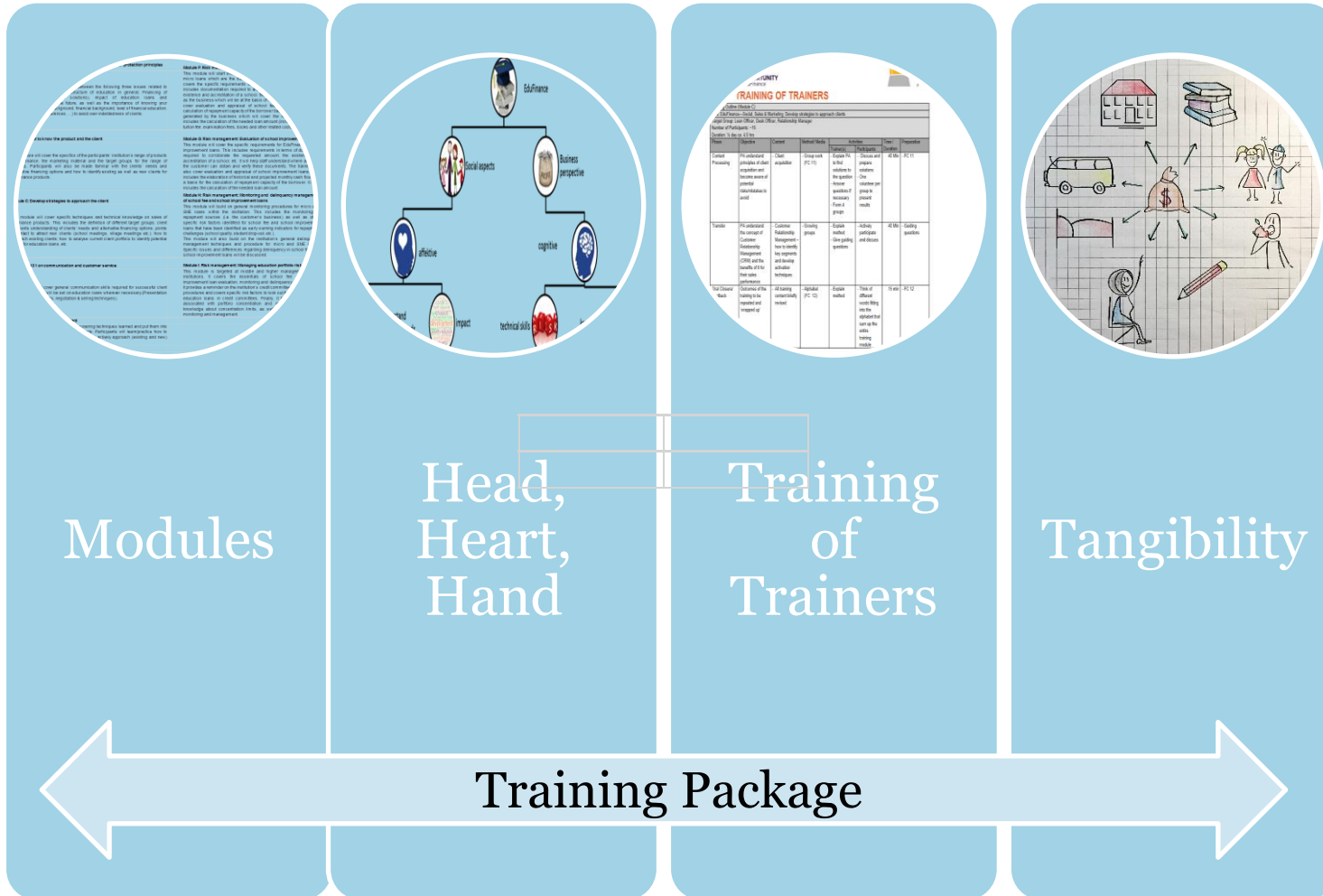
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Modules

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TRAINING OF TRAINERS

Training Outline (Module C)							
Title: EduFinance—Social, Sales & Marketing: Develop strategies to approach clients							
Target Group: Loan Officer, Desk Officer, Relationship Manager							
Number of Participants: ~15							
Duration: ½ day ca. 4.5 hrs							
Phase	Objective	Content	Method/ Media	Activities		Time /	Preparation
				Trainer(s)	Participants	Duration	
Content Processing	PA understand principles of client acquisition and become aware of potential risks/mistakes to avoid	- Client acquisition	- Group work (FC 11)	- Explain PA to find solutions to the question - Answer questions if necessary - Form 4 groups	- Discuss and prepare solutions - One volunteer per group to present results	40 Min	- FC 11
Transfer	PA understand the concept of Customer Relationship Management (CRM) and the benefits of it for their sales performance	- Customer Relationship Management – how to identify key segments and develop activation techniques	- Growing groups	- Explain method - Give guiding questions	- Actively participate and discuss	40 Min	- Guiding questions
Oral Closure/ feedback	Outcomes of the training to be repeated and 'wrapped up'	- All training content briefly revised	- Alphabet (FC 12)	- Explain method	- Think of different words fitting into the alphabet that sum up the entire training module	15 min	- FC 12

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