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Agenda:

- **Intro to BFA and FIBR Project**
- **Overview of Technology Unbundling**
- **Unbundling in the PAYGo Sector**
- **FIBR's PAYGo 2.0 Learnings**



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BFA

- Consulting firm specializing in financial services for low-income people
- Offices in Boston, Medellín, New Delhi, Nairobi, New York
- Areas of expertise: customer insights, business insights, policy & ecosystem, inclusive fintech, finance for life
- Our clients are financial institutions, technology companies, donors, investors and policymakers



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- **FIBR** (Financial Inclusion on Business Runways) is a BFA and Mastercard Foundation R&D project
- Seeks to demonstrate how smartphones and data can accelerate financial inclusion
- Focused on PAYGo and Small Merchant sectors
- Projects in Kenya, Tanzania, Uganda, Ghana
- Technical assistance to co-develop solutions with PAYGo operators and financial institutions over 6-8 month projects

FIBR's focus in PAYGo Solar

Digitization

- Digitized field operations + smarter agent network management
- New agent models to solve last-mile customer payment frictions

Credit Operations

- Data-driven credit operations – KYC, portfolio analytics, churn prediction
- Product design and behavioral interventions to drive improved repayment

Partnerships

- PAYGo partnerships with financial service providers (FSPs)
- Design and pilot testing of PAYGo-to-FSP graduation products

FIBR Projects (6-8 months)



Nano Projects (1-2 months)



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What is Technology Unbundling?

Unbundling is the disaggregation of a product or service into stand-alone offerings that were not previously viable to sell separately

Technology unbundling makes it possible to decouple the PAYGo value chain, leading to business model innovation

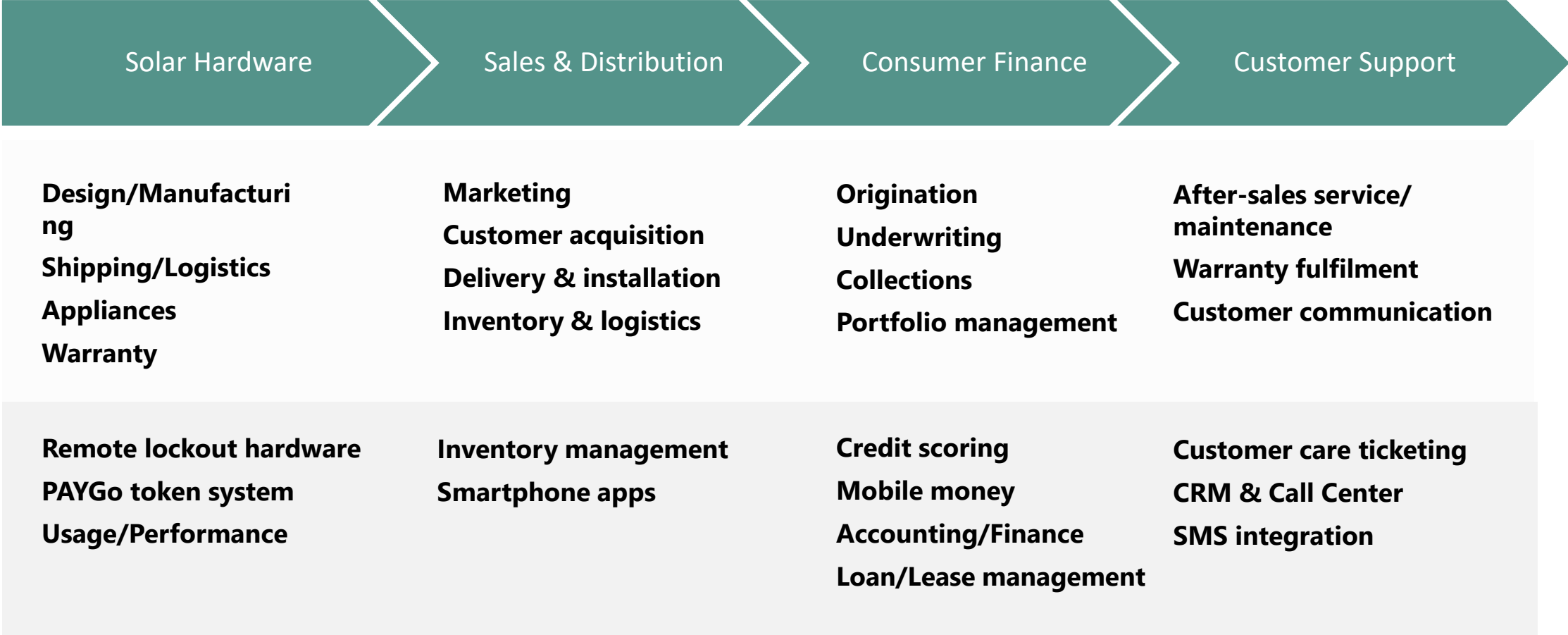


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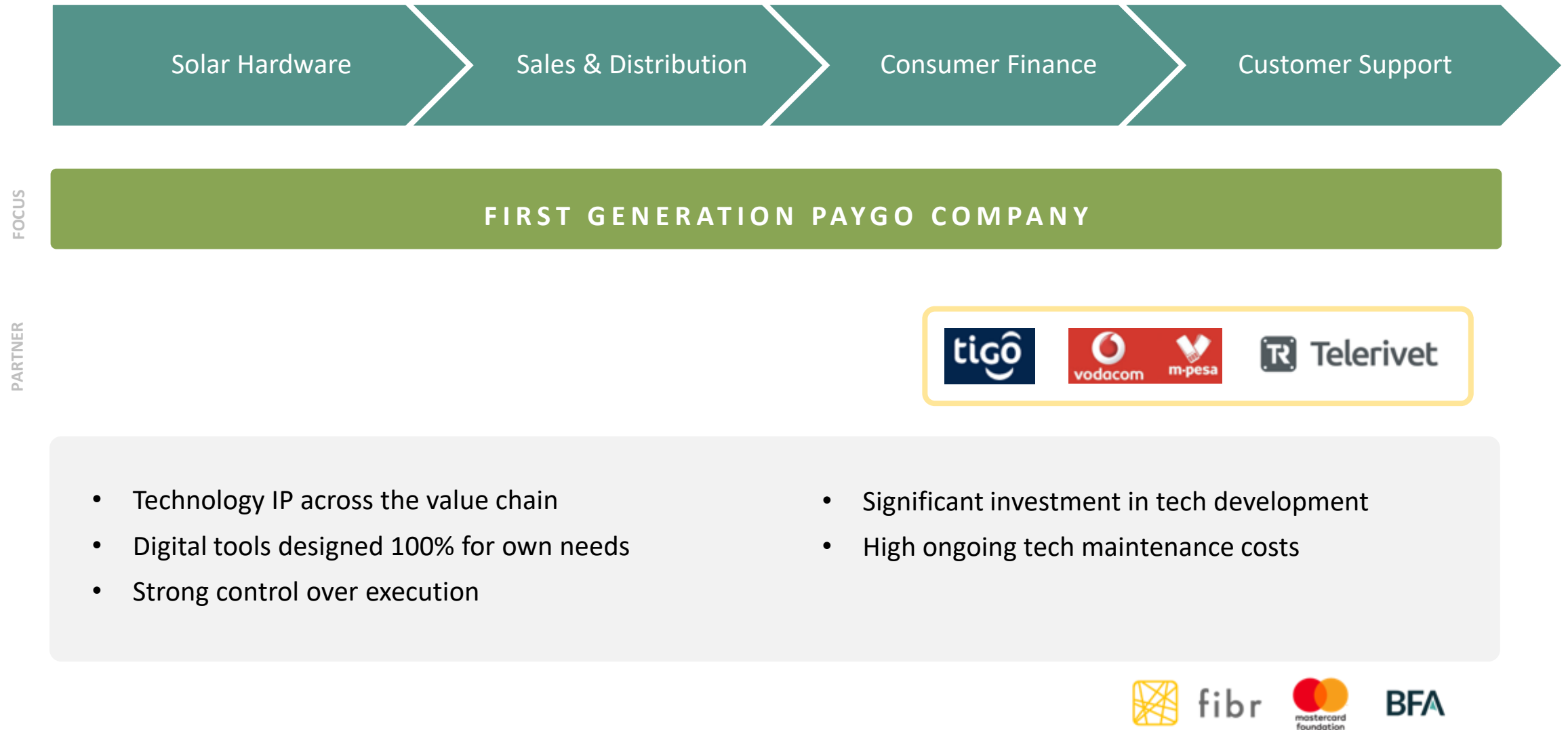


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PAYGo Value Chain



Vertically Integrated Example



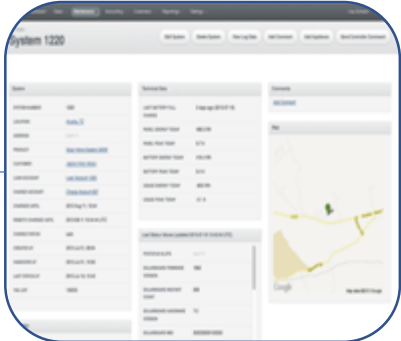
What tech is unbundling in PAYGo?



Solar hardware



Remote lockout



PAYGo platform



Smartphone apps



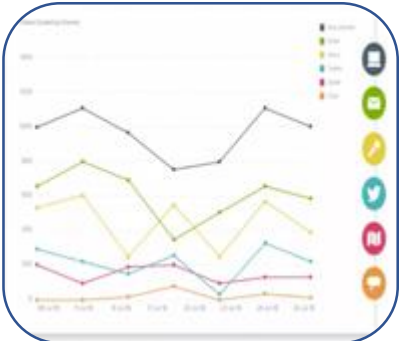
CRM & Call Center



Data analytics /
Business intelligence



Inventory
Management



Portfolio
Management

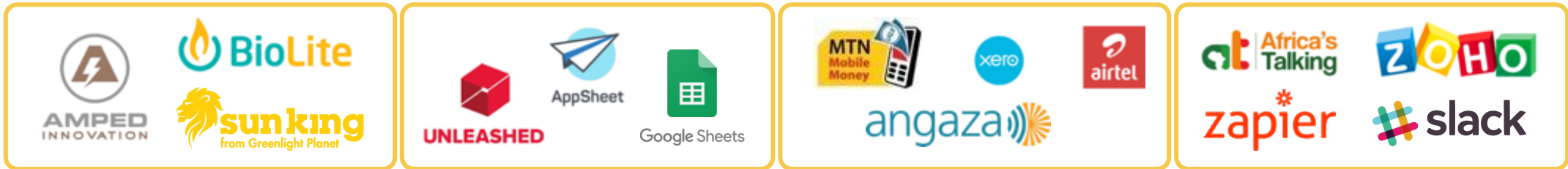
Unbundled PAYGo 2.0 Example



SECOND GENERATION PAYGO COMPANY

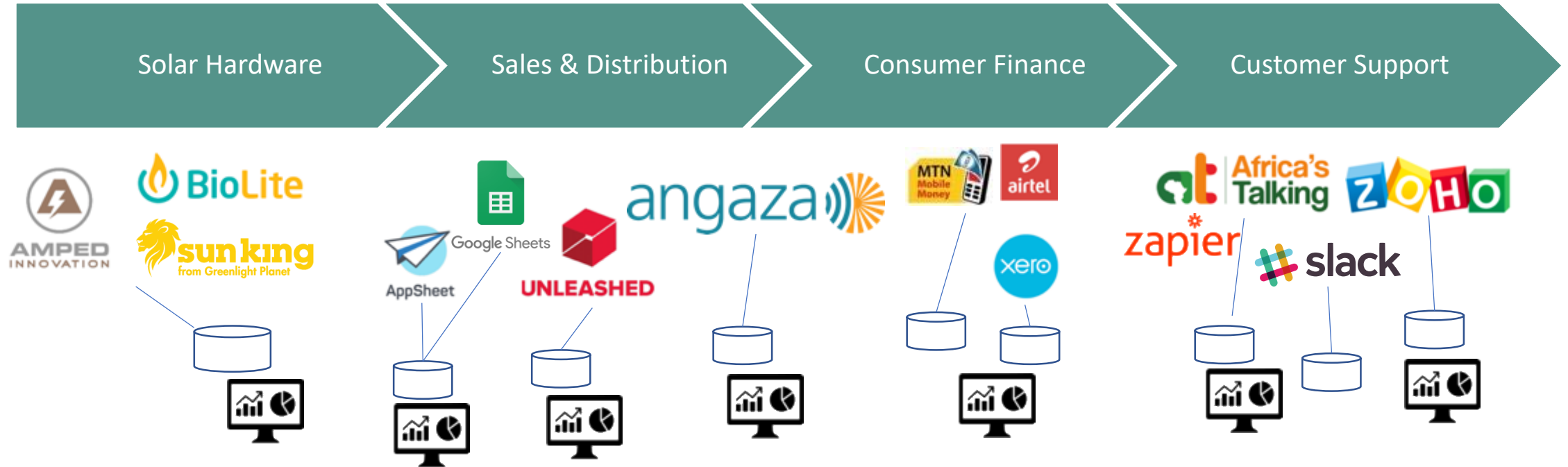
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PARTNER



- Faster to market with modular applications
- Lower ongoing tech management costs
- Integrations, workflow, data management requirements
- More partnerships = potential execution risk?

Unbundled PAYGo 2.0 Ecosystem



How do we integrate these tools, and extract and make use of data?



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Managing Complexity

- Tailor an ecosystem of modular digital tools for your unique market constraints
- Connectivity is a challenge, design for offline first
- Keep in mind that it's not yet plug and play, and somewhat tough to switch
- Need to build a software / data / insights team (minimal coding required to apply!)
- It's important to gather robust data across all your digital tools, and centralize
- Diversity of business models = diversity of digital technology needs
- Seek support from specialized solution / service providers when needed
- Connect with other PAYGo 2.0 players to share challenges, advice, lessons learned



Photo Credit: BrightLife





























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PAYGo-focused business models

Solar hardware focused	   
PAYGo software platform and/or remote lockout	    
PAYGo solution for distributors and own B2C	   
Distribution + Consumer Financing focused	   
Vertically Integrated	  
Value Added Data Solutions	   
Specialist solution / service providers	 



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Impact on Market Expansion

- Increased number / range of PAYGo-ready products
- Reduced overall capital the sector has to spend on core tech
- Enables specialization -- Laser focus on a few things
- Gives on-the-ground operators technology flexibility
- Significant digital payment integration savings
- Faster to launch PAYGo distribution, lower funding required, faster to breakeven
- Diversity of businesses able to launch PAYGo offerings
- Brought PAYGo to markets vertically integrated players might not consider in near term



Photo Credit: BrightLife, Dawn Leeks



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bfaglobal.com

medium.com/f4life

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