

Request for Proposals Round 7

Ensuring a Successful Proposal

August 23, 2016

Background

About EFInA

- Financial sector development organisation promoting financial inclusion
- Funded by DFID and Bill & Melinda Gates Foundation

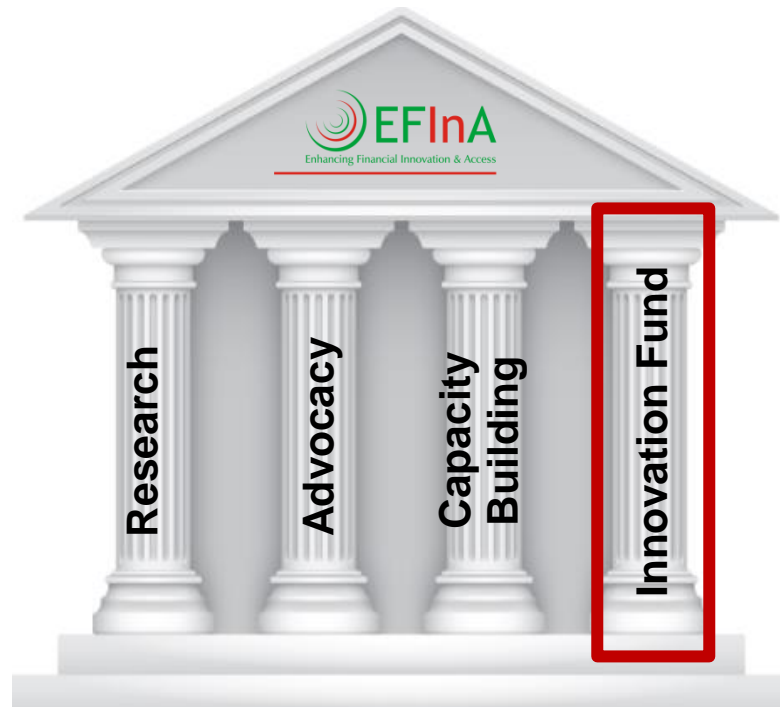
Mission

- To make the financial system work, especially to the poor

Vision

- To be the leader in facilitating an all-inclusive and growth-promoting financial system

Pillars



About the EFInA Innovation Fund

Purpose of the Fund

Promote the development and implementation of innovative financial products and services targeting the unbanked and under-banked low income population

Innovation

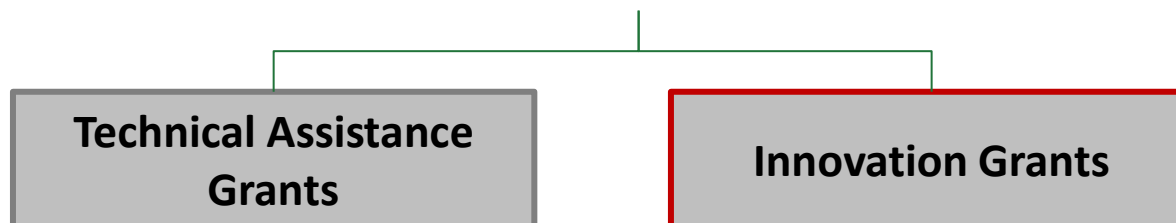
Novel ways of providing/sustaining access to financial services in Nigeria



Shares Risks

Supports Commercial Viability

Innovation Fund



Request For Proposal Round 7 Has Two Windows

Window 1



Considers proposals that seek to increase the uptake and usage of micro savings, micro loans and/or microinsurance products, preferably utilising electronic payment channels, among the low income women nationwide and/or any customer in Northern Nigeria

Micro savings

Micro loans

Microinsurance

Electronic Payments Channels

Low income Women

Customers in Northern Nigeria

Window 2



Considers proposals that seek to increase the uptake and usage of savings, loans and/or insurance products among small-scale agricultural producers and agricultural entrepreneurs, using electronic payment channels and digital financial services, where relevant

Savings

Loans

Insurance

Digital Financial Services

Agricultural producers

Organisations can apply for either Window 1 or Window 2 or both

A Specific Set of Organisations Are Eligible to Apply for the RFP 7

Licensed Financial Institutions

- Deposit Money Banks
- Microfinance Banks
- Insurance Providers
- Microinsurance Providers
- Development Finance Institutions
- Non-interest Banks

- All licensed mobile money operators are eligible to apply

Licensed Mobile Money Operators

Licensed Super Agents

- All licensed super agents operators are eligible to apply

Partnerships are encouraged

EFInA Is Looking for Proposals that Make a Strong Case for Successful Execution and Achieve the Goal

Window 1




Considers proposals that seek to increase the uptake and usage of micro savings, micro loans and/or microinsurance products, preferably utilising electronic payment channels, among the low income women nationwide and/or any customer in Northern Nigeria

Window 2



Considers proposals that seek to increase the uptake and usage of savings, loans and/or insurance products among small-scale agricultural producers and agricultural entrepreneurs, using electronic payment channels and digital financial services, where relevant

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1. Applicants must have a track record of providing financial products
 2. Applicants must have piloted and tested their financial products prior to applying for the Innovation Grant
 3. Partnerships are encouraged; however, applicants must demonstrate that they have experience with strategic partnerships that have led to successful implementation of projects
 4. Applicants should provide a sound distribution strategy for the target population
 5. Applicants must provide compelling agent value propositions, where a digital channel is utilised
 6. Applicants must define clear targets and provide credible justification for reaching the targets
 7. Applicants must develop effective customer awareness that demonstrate the benefits of the products/services offered to customers
 8. Applicants must provide evidence that they have the resources to match at least a 1:1 funding ratio

What Aspects Make for a Successful Proposal?

1

Compelling proposals

- Have a clear, coherent picture of what you wish to convey
- Your pitch from the written material you provide needs to be quickly understood
- Tie your mission with EFInA's mission – both objectives must be in clear focus

2

Customer Value Proposition

- Is it apparent that your organisation knows the needs of the customers based on your process of designing this product/service?
- Is the use case clear and compelling?
- Customer's value is 'king'

3

Agents Value Proposition

- A good agent network is considered the strongest asset and that is a function of a strong agent value proposition
- An inactive agent is worse than no agent
- Demonstrate adequate liquidity management and agent commission structures

4

Technology Readiness

- Inadequate technology set up is the number one reason for project delay
- Are all the technology components in place?
- What development is required?
- Provide evidence of technology readiness or plan of delivery

5

Execution and implementation

- Provide a detailed plan of execution
- Ensure the team has a track record of success
- Highlight commitment to the project from the Management of your organisation

EFInA is Similar to An Investor and Will Review The Proposals With the Same Approach

1

Compelling proposals

RFP process is about helping investors to understand better what your product and/or service offers

- The problem
- The target market
- The proposed business solution
- The 'go to' market strategy
- Project risk mitigation
- The team

The RFP is like a sales document grounded in evidence of your ability to execute and reach the mutual goals and it is the first part of a long journey

- Is the purpose worthy?
- Is the target audience right?
- Is the value proposition valuable enough to customers?
- Is it the right kind of business/idea for the focus areas?
- Is the business plan based on the Value proposition

EFInA will look out for the following areas in the proposals submitted

Problem Description



Ability for Organisation to Execute



Product Solution



Risk Assessment



Technology Readiness



Innovation



Improve Lives (Impact)



'Go-to' Market Operational Plan



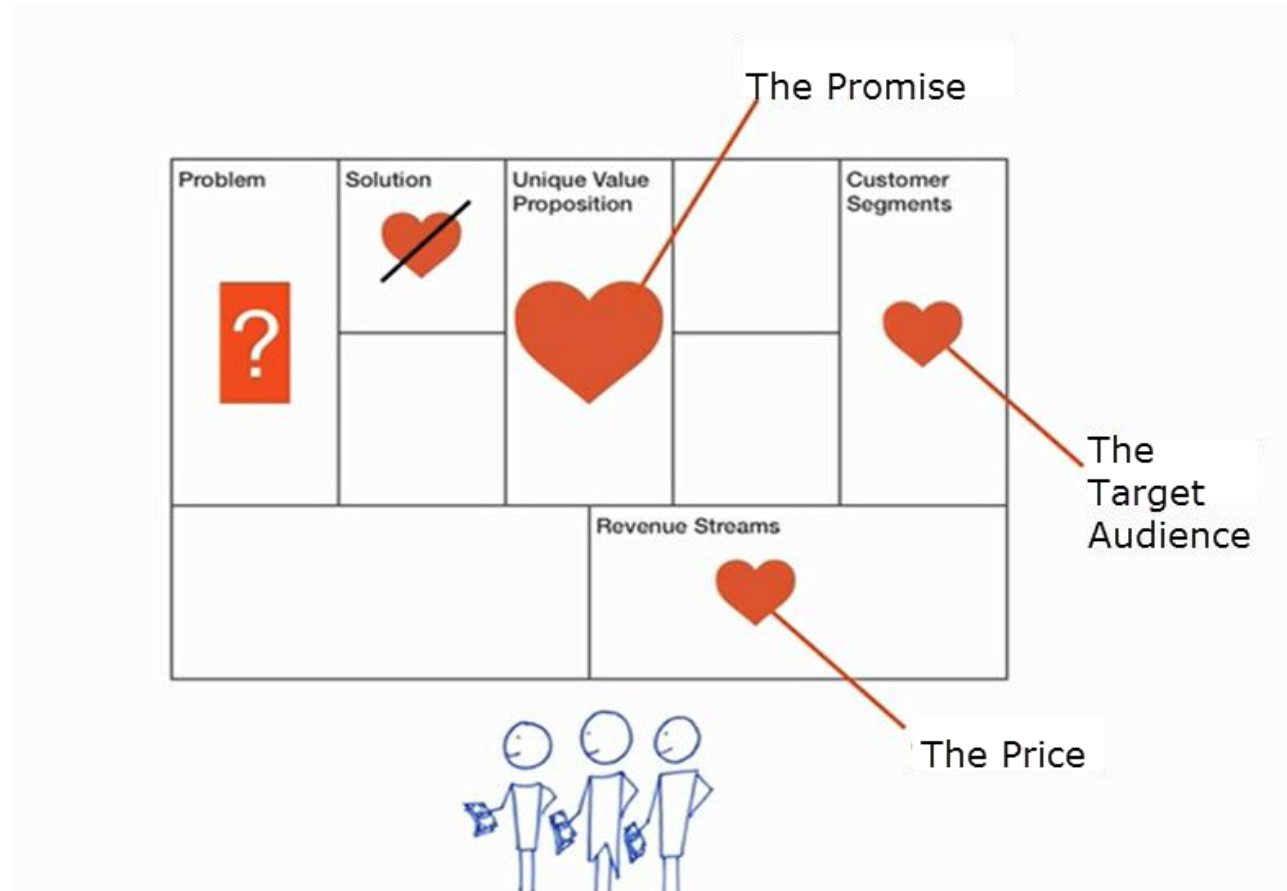
Customers Will 'Buy' the Promise of Your Product to Solve their Problems

2

Customer Value Proposition

Starts with the people you're designing for and ends with new solutions that are tailor-made to suit their needs

Human-Centered design is all about building a deep empathy with the people you're designing for; generating many ideas; building a range of prototypes; sharing what you've made with the people you're designing for; and putting your innovative new solution out in the world.



Your value proposition is what grabs their attention

Agent Business Case Must Be Compelling to the Agents to Make Your Product Successful

3

Agents Value Proposition

Agent Revenue (commission) is earned by serving customers

- Deposits, Withdrawals, Customer registrations, OTC transactions
- Are there/will there be enough customers in the area for Agents to serve?

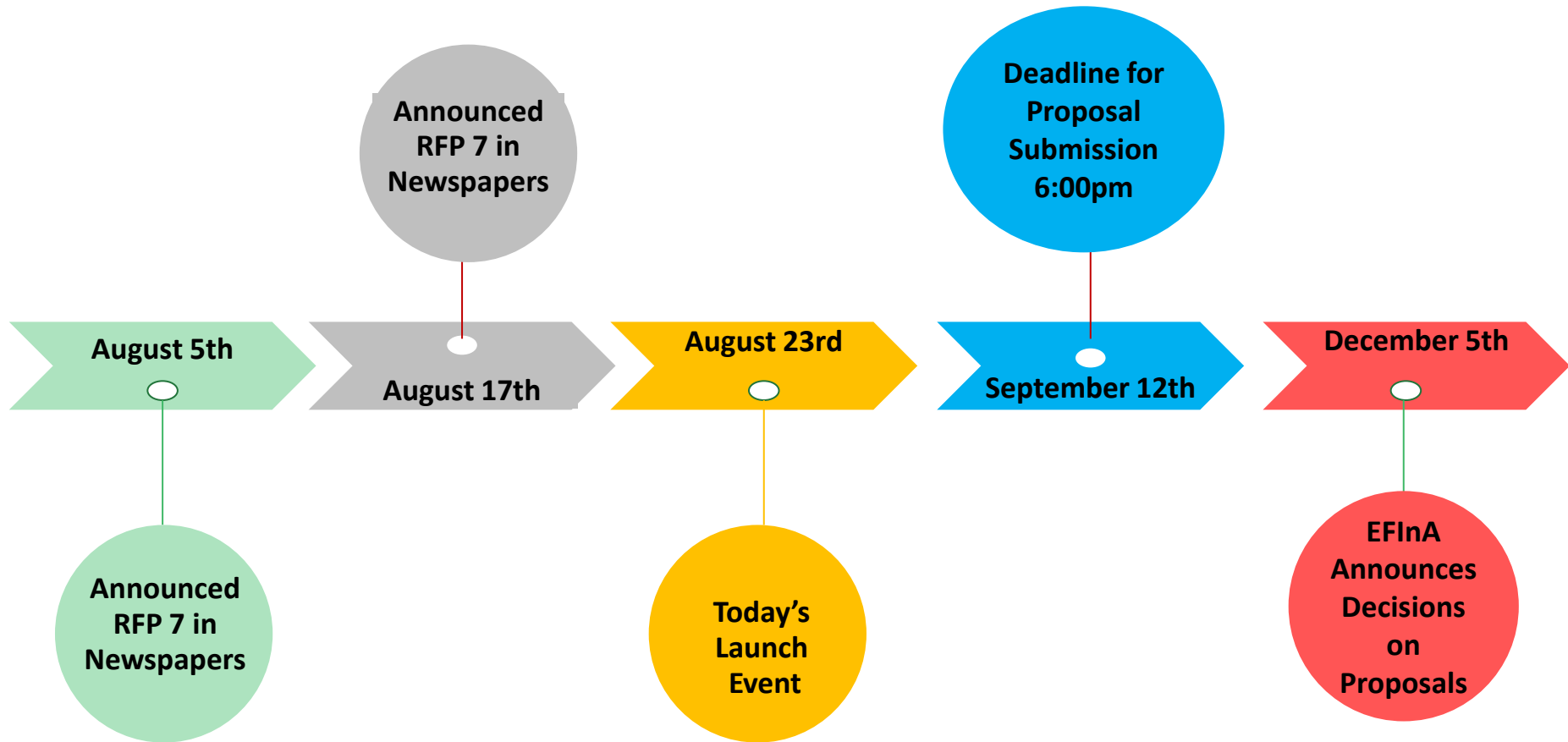
Commission must be sufficient to cover agent costs

- Cost of liquidity / float management
 - Staff – also busier agents might need extra staff
 - Equipment and connectivity
 - Account administration – in store & back office [phone / PC based]
1. The amount earned per Naira “invested” must be competitive with the net margins the agent earns from the core business eg selling airtime, groceries, fuel etc
 2. Agent activities are new, incremental business to grow the total revenue
 3. Driving footfall and the resulting additional core sales opportunity should be emphasised
 4. In rural areas, cash-out services can assist with management of excess cash
 5. Agents may request for assistance with security or insurance given the higher risk associated with being seen as a source for cash holding. Assistance may be based on their performance?

- **You need to paint a coherent and consistent picture**
- **Provide your best available information & demonstrate that your proposition will add value and be viable over time**
- **The project plans may change as the project develops, include quarterly reviews to keep track of changes and check that the project is still on track**
- **Show that you understand your overall business case revenues and costs. An exercise will be carried out to determine project areas of allocation of grant funds.**

EFInA seeks to select projects that provide evidence that they can be scaled

RFP 7 Has Several Important Dates



Proposals are due at 6:00pm on September 12, 2016 and EFInA will announce decisions on December 5, 2016

THE END