

Ten Steps to Selecting Master Agents

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1. Establish the key roles and responsibilities of master agents
2. Chose the selection criteria that will result in a group of master agents that can achieve the results specified in their roles and responsibilities
3. Chart the landscape of existing distribution channels, including layers within the value chain, levels of ownership, and areas of exclusivity
4. Graph potential players within the distribution channel landscape to required roles and network size to determine which have the most potential as master agents
5. Document the value proposition for each potential master agent, realizing that their motivations could vary widely



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6. Map the financial infrastructure, seeking to understand the locations of bank branches and ATMs that can be leveraged for liquidity management
7. Based on the anchor product, target initial, secondary, and tertiary retail agent locations, as well as a strategy for rolling out the distribution network country-wide
8. Chart potential master agents locations against rollout strategy
9. Score the agents based on selection criteria, overlap with financial infrastructure, adherence to rollout strategy, and other key factors
10. Create a profile of highest ranking potential partners that can be used to prepare a sales presentation for them

1. Key Roles and Responsibilities for Master Agents

Business Management

- Plan all aspects of business
- Meet with retail agents on a regular basis to understand their business
- Track needs for additional training, promotional materials, other tools

Financial Planning

- Develop primary financial statements
- Perform financial forecasting
- Reconcile electronic and cash movement at end of each day

Sales

- Recruit new retail agents
- Develop sales forecasts for their network
- Motivate agents, and monitor progress against sales goals
- Report results to MFSP

Liquidity Management

- Ensure that retail agents have sufficient electronic value on their phones
- Set up system to provide and retrieve cash, as needed by agents

Training

- Provide initial training on MFSP services
- Encourage retail agents to attend MFSP special training sessions
- Ensure retail agents are sufficiently trained

Compliance

- Monitor retail agents effectiveness in achieving compliance with MFSP and regulatory policies
- Follow up on overdue or outstanding documentation

2. Master Agent Selection Criteria

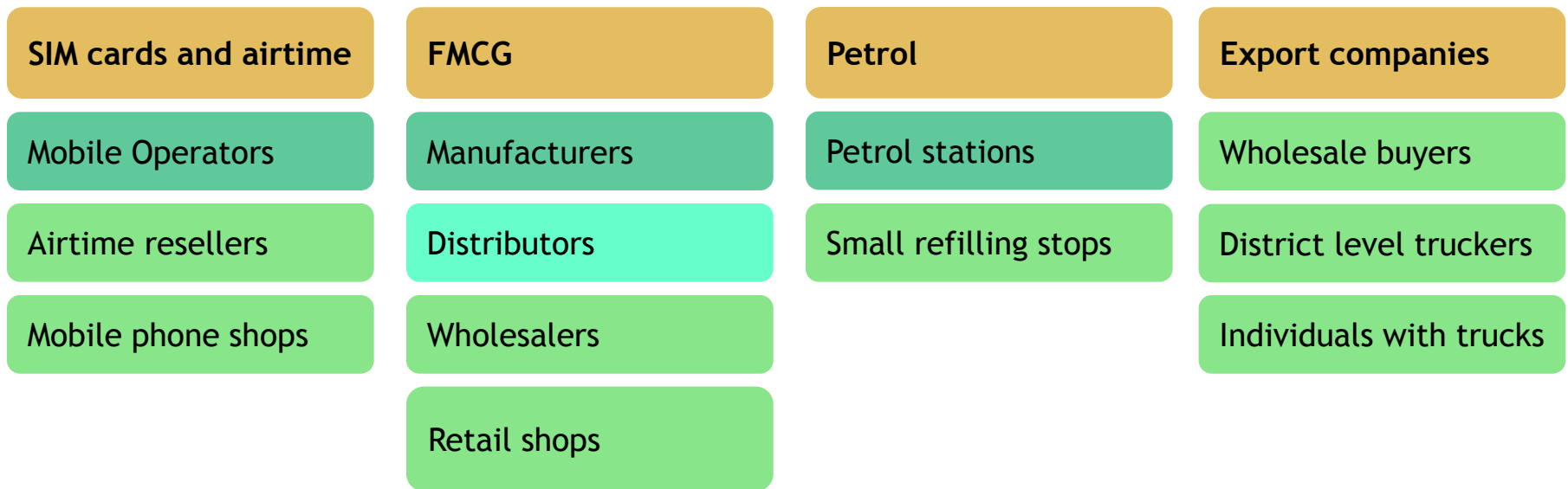
Every MFSP will have a unique set of selection criteria that are used to assess and select Master Agents that are likely to include:

- Regulatory Criteria
- Business and Operational Criteria
- Location, Location, Location
- Sales and Marketing Criteria
- Motivation Level



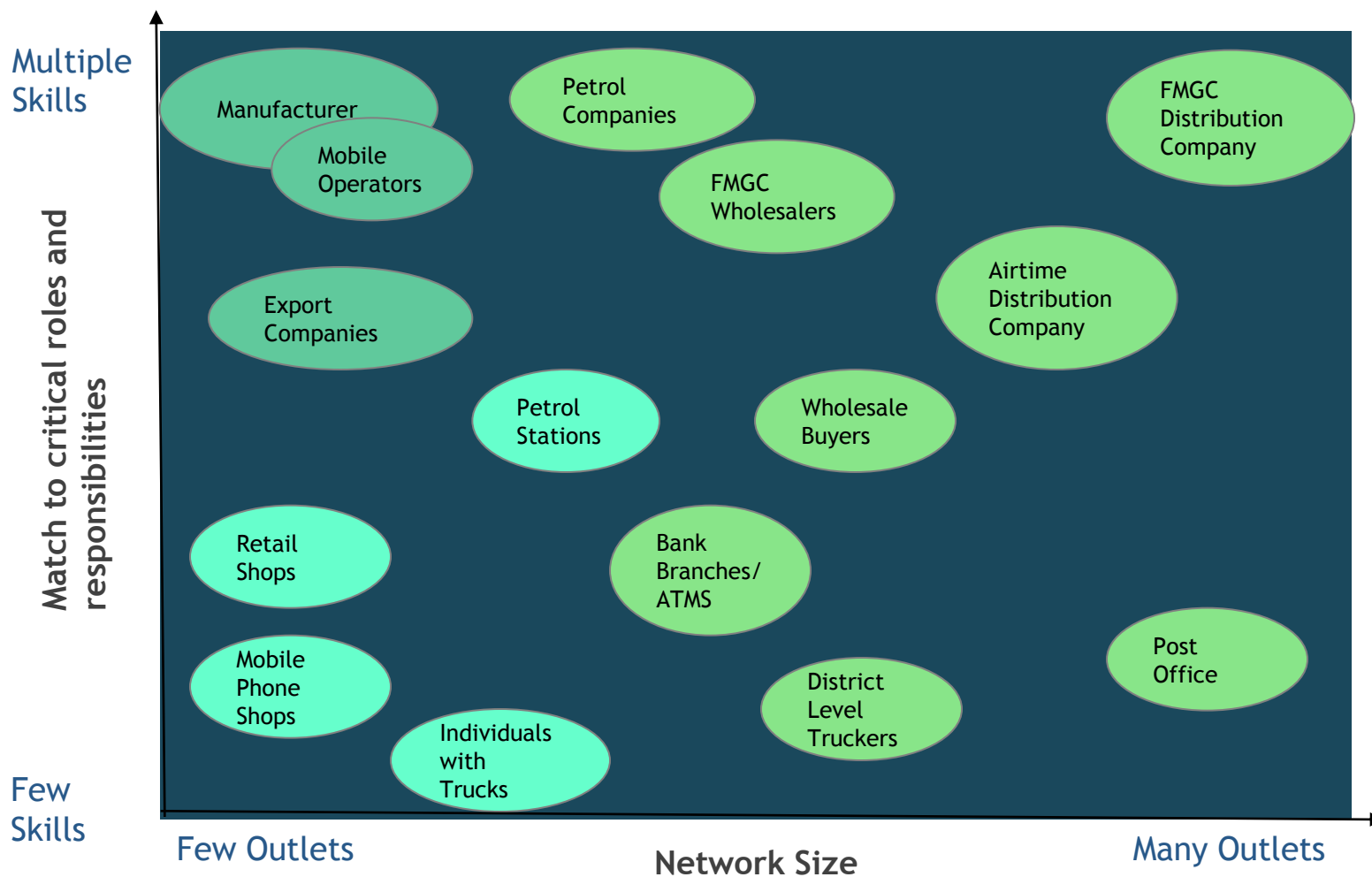
3. Chart the Distribution Landscape

Identify companies, government agencies, and other organizations that move products, money, or services across the country. Be sure to understand the ownership structures across the value chain, which may be surprising. In Mozambique, commodities traders handle scratch card distribution for one of the biggest mobile operators in the country. In PNG, coffee moves money to 400,000 people.



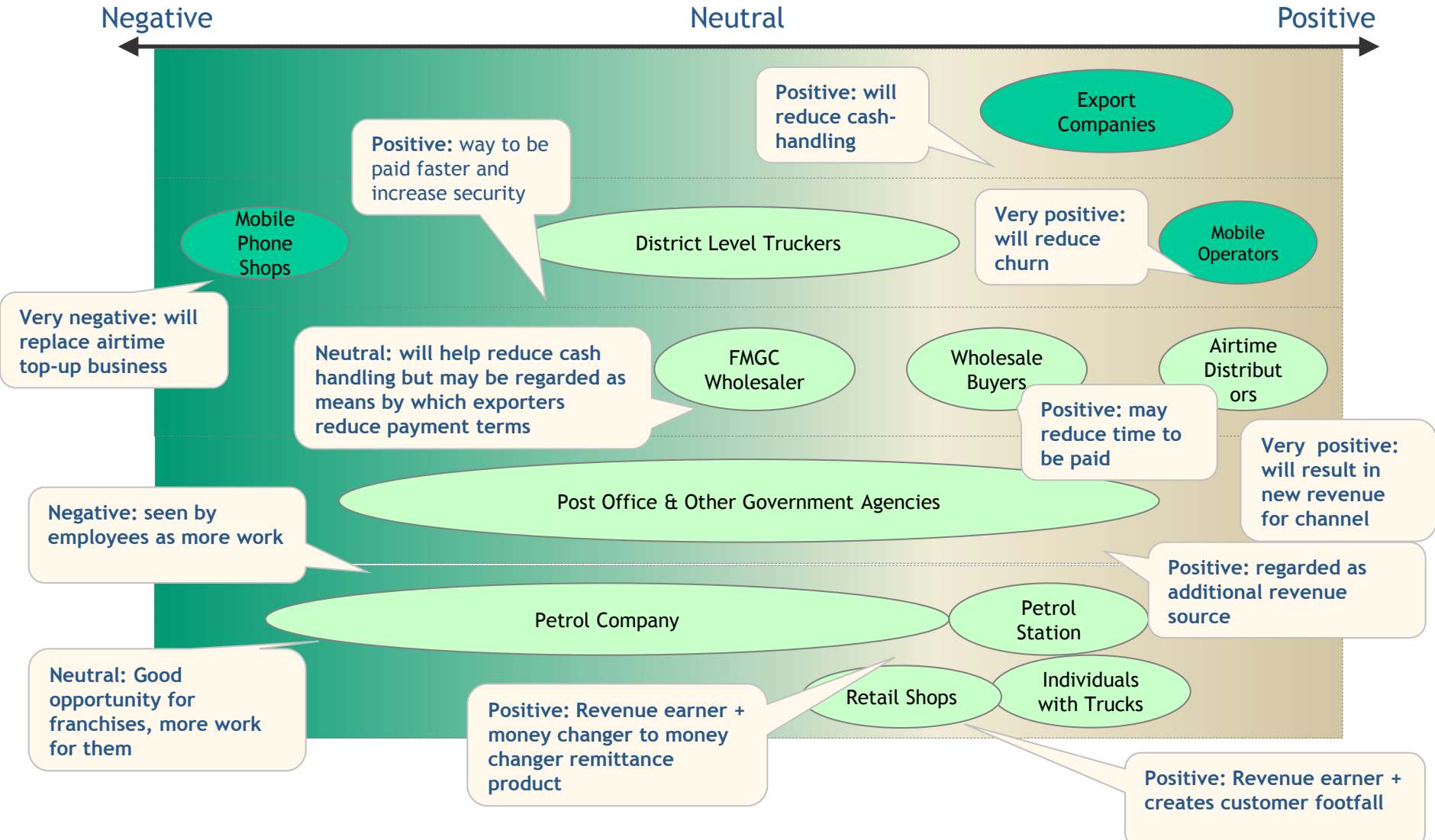
- Owned** Fully owned and managed by service provider
- Tied** Not owned but business exclusively or strongly linked to service provider business
- Independent** Independent

4. Graph Players to Identify Highest Potential Candidates



Potential Master Agents and Potential Retail Agents can be targeted through a process that maps ability to perform the required roles against geographic reach

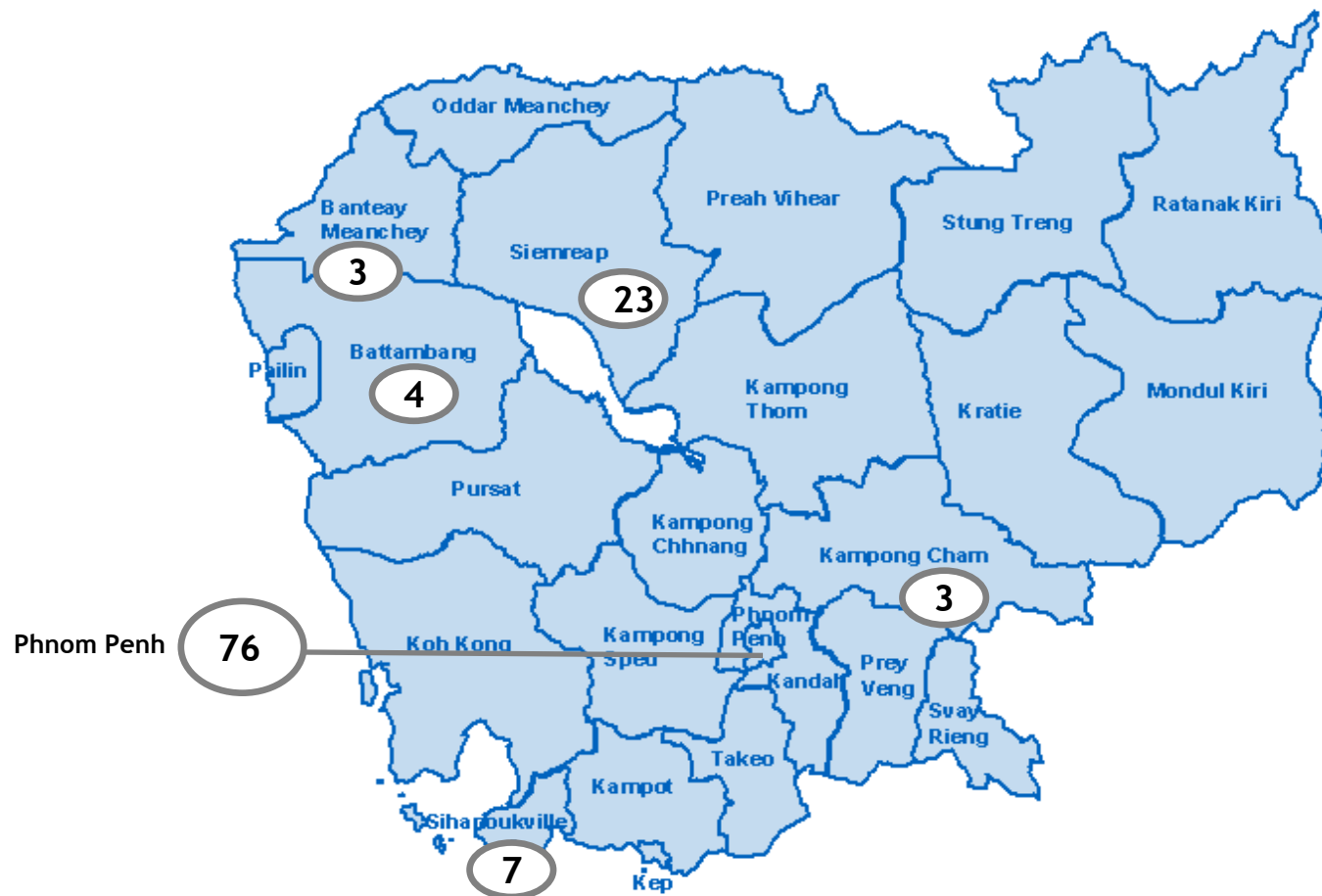
5. Document Value Propositions for Potential Agents



Refer to the Master Agent Value Proposition in Part 8 of the Toolkit for additional insight into motivations for these companies or individuals

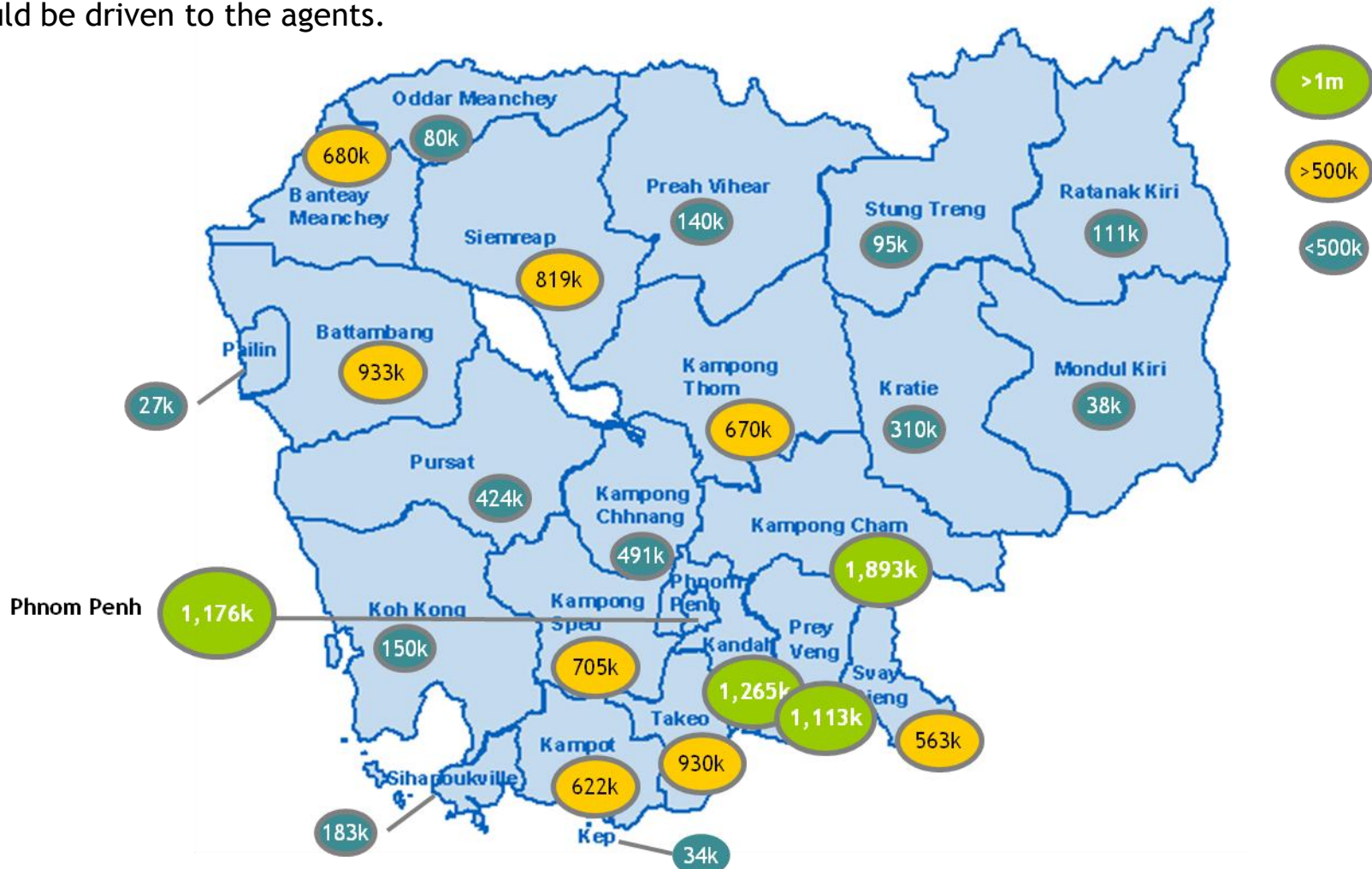
6. Map Bank Branches and ATM Networks

Bank branches, ATM networks, and microfinance networks can be a vitally important part of the agent infrastructure. In addition to adding more cash-in/cash-out points, these locations can be utilized to manage liquidity more effectively. Integration of this network is particularly important in the early stages of network build-out.



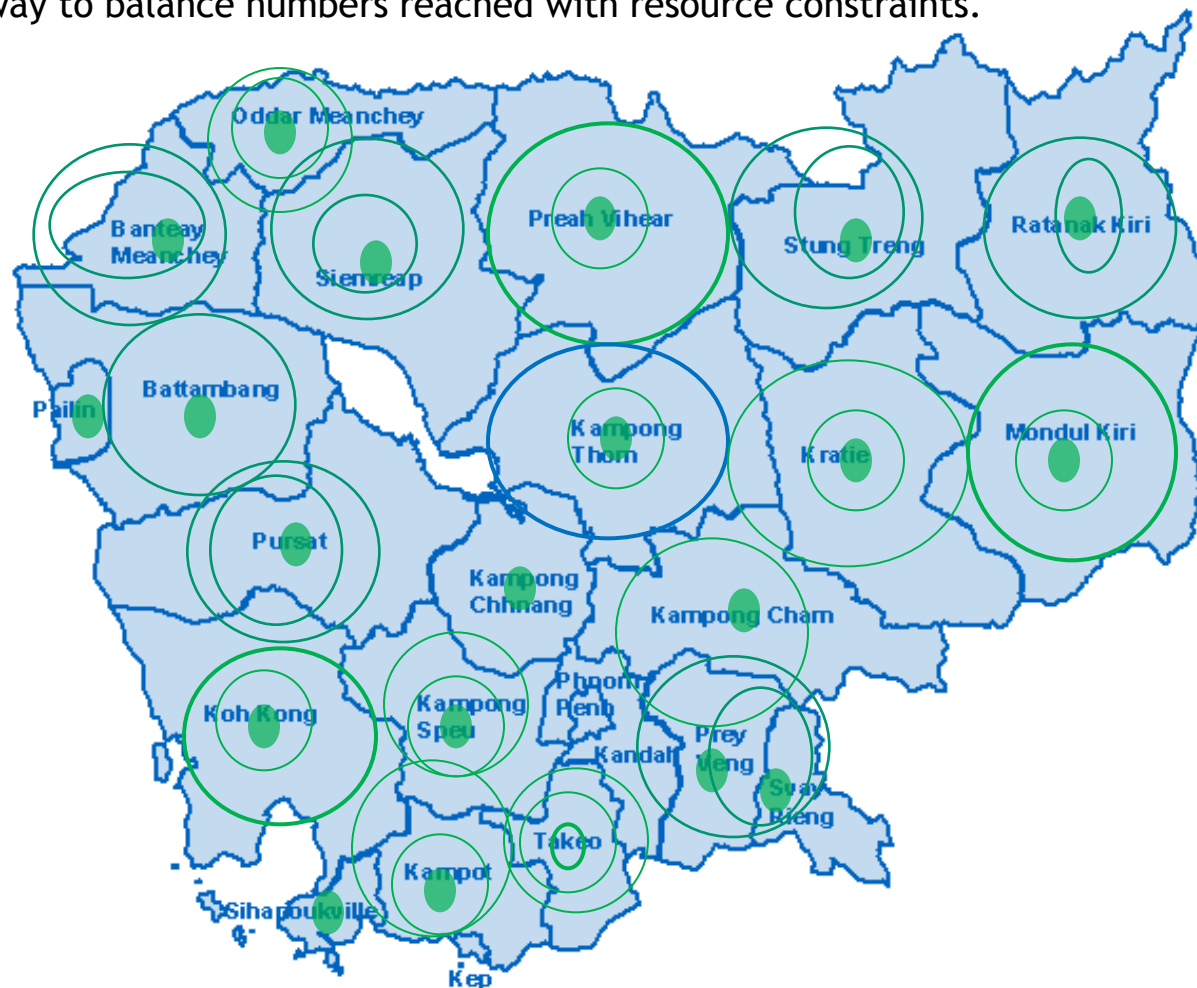
7. Target Provincial and Population Centers

When reach across the country is desired, focusing on major population centers within each province or district is mechanism to begin to reach into more remote areas. Selecting towns or villages to which people travel for marketing and purchasing purposes can increase the amount of traffic that could be driven to the agents.

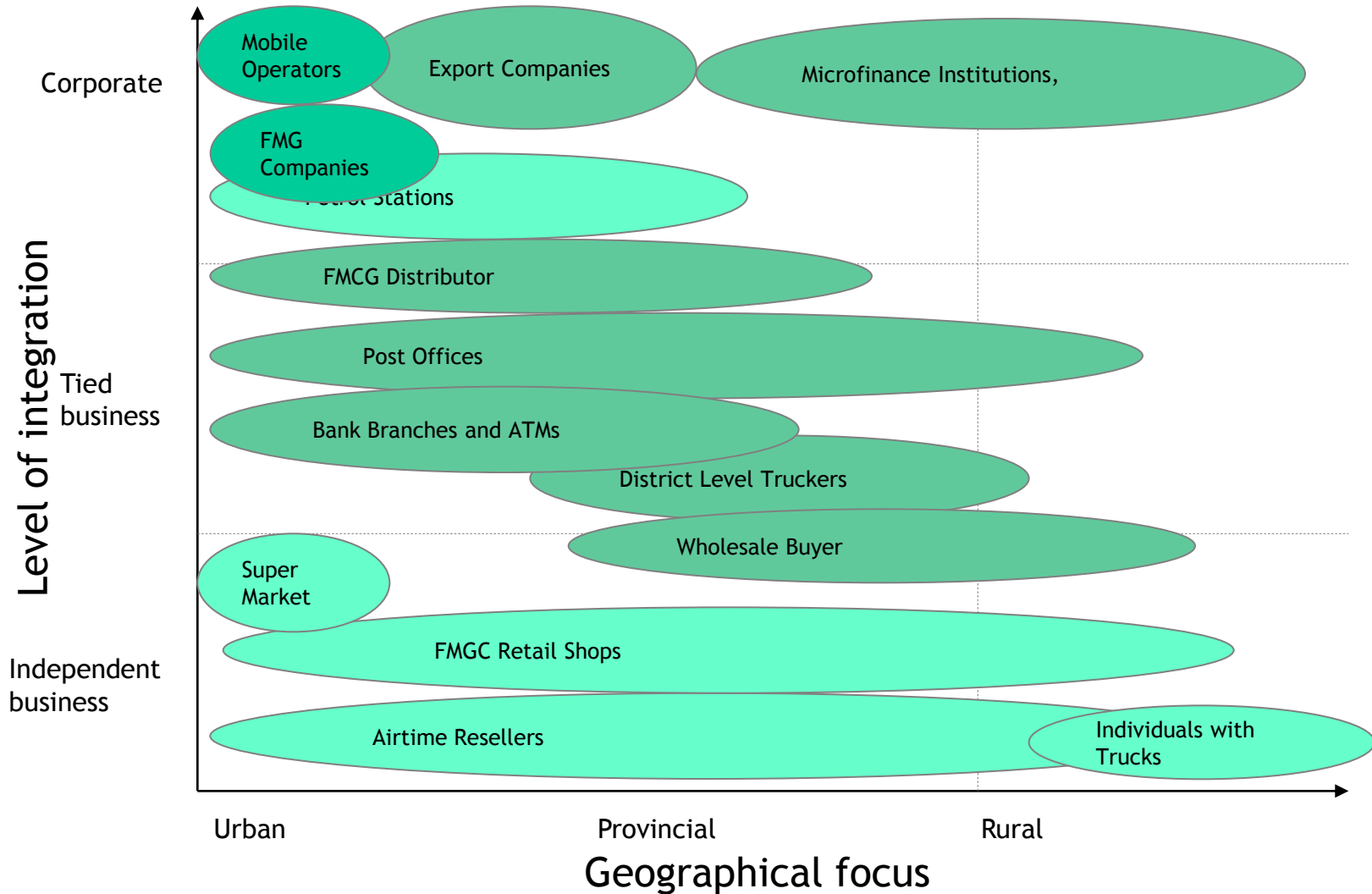


7. Build in Concentric Rings

The growth of the agent network needs to be tied to growth of the customer. Therefore, it is not possible to blanket all parts of the country simultaneously. Building out from central points, like the population and provincial centres just mentioned, in rings that push deeper into the countryside can be an effective way to balance numbers reached with resource constraints.



8. Chart Master Agent Locations



9. Score Potential Partners Against Key Metrics

FMGC
Wholesalers

Banks/ATMs

Airtime
Distributors

Post Office

Trucking
Companies

Match to Skills

- Business management
- Financial skills
- Sales acumen
- Access to liquidity
- Ability to train

Selection Criteria

- No of years in business
- Trusted by locals
- Required capital
- Central location

Value Proposition

- No of strong motivators

Geographic Match

- Large number of outlets
- Overlay with rollout plan
- Urban and rural locations
- Close to banks and ATMs

10. Create Master Agent Profile

Business description

Main business types

Estimated monthly turnover

Estimated cash float

Customer reach

- Number of customers:
- Types of customers:
- Frequency of visits to network

Services to be offered

- Customer registration
- Cash out
- Cash in
- Purchase
- Bill payment
- Airtime top-up

Suitability

- Geographical distribution
- Number of locations:
- Urban/rural composition:
- Match to MFSP rollout plan:
- Proximity to bank branches:
- Brand perception
- Brand/trust with customers
- Educated staff
- Security of premises
- Management
- Sales experience
- Management experience
- Potential obstacles
- Exclusive or semi-exclusive
- Sees mobile money a threat
- Financial value prop not clear
- Not highly motivated

Merchant motivation

- Provide additional revenue
- Offer value added services
- Increase customer footfall
- Reduce cash balance