MicroSave Briefing Note # 135

Training E/M-Banking Agents: What is Missing?

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> *"We are mobile airtime sellers. We do not require much training. We do this work every day!"*

> *"The training should happen at the shop. In the hotel, there is a crowd and we cannot understand anything."*

> *"The trainers were not proper. Most of the CSPs (agents) came back to us to understand how to do transactions." – An agent supervisor*

This is the feedback that one Agent Network Manager (ANM) received this summer from their agents and agent supervisors.[1] These and other training programmes too often fail to meet expectations, and trainees rate the content as irrelevant and the training methods as unsuitable.

This Note briefly discusses the reasons for this negative feedback, the profiles of the agents, and new areas to be considered in agent training programmes.
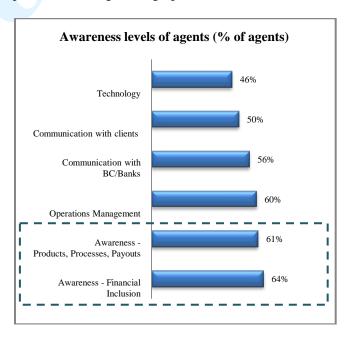
Types of Agents
There are broadly three kinds of agents:
1) *Transaction (or cash-in/cash-out) agents*—These agents only conduct transactions on behalf of the bank, and usually handle one or two products. For example, Eko agents in India handle only *Tatkal,* an agent-to-bank account remittance service. Even in Kenya's ever-expanding M-PESA money-transfer service, most of the agents just service transactions (deposits, withdrawals, and transfers).

2) *Full-service agents/sales agents*—These agents provide all services, including enrolment/account opening. They usually offer two or more products, rather than a single product. At Equity Bank in Kenya, sales agents are expected to handle both account opening and servicing of accounts, in addition to managing more than five bank products and services.

3) *Super agents*—These agents supervise the activities of transaction and/or sales agents under them, provide a link between the ANM and the agent, and support agents in cash management and front-end operations. At Eko, an Indian mobile banking and transfer service, super agents provide cash management support by rebalancing cash and e-cash between agents and the bank.

The training needs for these agent categories differ. Transaction agents require a *"products and processes"* focus, plus liquidity management and security; while full-service agents need a more comprehensive review that covers all aspects of agency banking—including processes, marketing, risks, technology and relationship management. The next rung up, super agents or agent supervisors, need training on managing the agent network under them and processes involved.

Evidence from The Field
MicroSave recently conducted a baseline assessment of m-banking agents in Bihar, India. The study highlights the awareness level of agents across six categories, and points to significant gaps in the understanding of issues central to the delivery of electronic/mobile-banking (e/m-banking) services. The study also probes into specific aspects of agent awareness within these categories. (Some are not provided in the general graph below).

Awareness levels of agents (% of agents)

Category	%
Technology	46%
Communication with clients	50%
Communication with BC/Banks	56%
Operations Management	60%
Awareness - Products, Processes, Payouts	61%
Awareness - Financial Inclusion	64%

While 64% of the agents understood the objective of providing e/m-banking banking services promoted by banks; 68% were completely unaware of the clientele they need to target. Similarly, 61% of the agents knew about the products and processes, but only 24% could handle customers' frequently asked questions.

What Should Training Cover?

The training issues discussed below derive from the above study, as well as other related *MicroSave* research studies and assignments.

1) *Products and Processes*

Agents need to be well-versed in the various accounts their bank offers, restrictions, fees, and key selling points, along with their ANM requirements. This helps agents adhere to regulatory norms, reduce fraud and expedite successful customer applications. Agents should also know what new products will soon be available in order to help promote these. Since they are usually the only point of contact for customers, their knowledge needs to be both current and accurate in order to handle customer queries.

2) *Technology Platform and Troubleshooting*

Technology is at the core of e/m-banking operations, and agents are expected to understand at least the basics so they can troubleshoot common errors. This matters, since most agents are located in remote places. It is time-consuming and costly for a technician to visit them and resolve technology issues.

The *MicroSave* Bihar assessment study referred to earlier also reveals that though 88% of the agents were comfortable in handling the Point of Sale (POS) device for customer enrolment and transactions, only 12% were aware of the basic troubleshooting processes. They would regularly call the TSP (technology service provider) to resolve even minor problems.

3) *Compensation Structure*

Not surprisingly, agents care most about their compensation and incentives, as well as how their remuneration is calculated and credited. They also want to know how to make money as agents, since many in rural areas do not. Because revenues and profits are too often skipped over, or insufficiently explained, in their training, agents lose interest or even quit.

4) *Banking and E/M-banking Operations*

Agents who understand their roles and responsibilities—specifically, good record-keeping and liquidity management—will also better understand overall bank operations. Knowing why and how banking regulations affect daily operations is also useful.

5) *Soft Skills and Communication*

Finally, open channels of communication between agents, their network managers, and the banks are essential for agents to do their job properly. Agents can do every aspect of their business better if they inspire trust. Customers are more likely to open new accounts, conduct transactions etc. Furthermore, unresolved disputes, which agents can only help mediate, not decide, may be less problematic. All these issues should be clearly addressed in the agent training.

Emerging Trends in The Market[2]

The agents must be updated about any developments in the industry with regard to regulation, technology, and new players, as these have an impact on their business. For example, Indian agents need to be aware of all changes in government financial-inclusion initiatives such as cash subsidies and social-security payments since the agents are the principal cash-out points.

Conclusion

The training issues highlighted above should form the core of most programmes. However, *MicroSave* recommends that a training needs assessment be conducted before designing any training programme. Agents' level of understanding about each issue will vary and depend on their previous experience with handling banking services, their occupational profile, and their level of education. In addition, to allowing calibration of the standard agent training, a training needs assessment will often unveil additional issues or training requirements. Many of these vary substantially across different markets.

Agent training is an essential foundation of a robust, trusted and ultimately successful agent network.

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[2]See *MicroSave's* research paper, "Designing and Implementing Agent Networks" for a detailed guide on managing agent networks.