



Case Study

JamiiBora

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About Jamii Bora

The main business operations of Jamii bora, is to avail access to their members to borrow, micro loans and encourage members to climb **Jamii Bora** ladder. It was initially registered as a charitable organization in Kenya in 22 November 1999, and how now grown very to become the largest Micro Finance Institution in Kenya apart from the commercial banks. The main aim of **Jamii Bora** is lending money to help its members – who are mostly non or low income earners, an opportunity to increase their source of income, get out of poverty, and build a better life for its members and their family.

The headquarters of **Jamii Bora** is located in Nairobi .By September 2009; it had set up 106 branches, with over 170 outreach centers countrywide. These branches are responsible for registering of new members, receipt of savings and loan repayments, monitoring timely loan repayments and review of loan applications. Members are organized in credit groups with five members in each group. The group members guarantee each others loan and provide important moral support to each other. The member in the group borrows and other member's savings in the group act as a guarantee to the loan amount borrowed by individual member.

Due to the large number of people joining the Micro finance , **Jamii Bora** is now on its initiative to becoming a bank to help its members not only to borrow money , but also access services that banks offer such as current savings , fixed deposit , overdrafts and others , still in their level of income capability.

Other initiatives taken by **Jamii Bora** include being in charge of programs such as;

- Health and Life benefit program
- Tumaini and Levuka program
- Business Academy and Staff training
- Housing program and
- Rural water program

Background

Business System Operation

Jamii Bora started with a group of 50 beggars, and all the funds collected and loans borrowed were maintained in Excel, this was effective at the time since the number of people were manageable. However, over the years with the growing need of small income earners to access funds, **Jamii Bora** became one of the main Micro Finance that most people sought to borrow loans. Therefore, **Jamii Bora** needed a more efficient , manageable , fast , flexible and scalable system that would handle the growing number of people in different regions of country ,large numbers records , huge amounts of transactions , provide faster and better service to their members.

Challenges Faced

The main challenges faced with **Jamii Bora** electronic spreadsheet processing as a mode of operations were as follows;

1. Hard to maintain and manage the growing number of records and transactions.
2. Efficiency in terms of servicing members became hard especially locating records.
3. Back log of data, risk of fraud to manual and insecure data capture.
4. Difficult to merge data to create business report, or create standardized report system. The data report was easy to manipulate, therefore not fully reliable.

Solution Provided

Implementation Strategy

Due to challenges face with the electronic spreadsheet processing, Jamii bora, sought for a better software system that would incorporate all their business operations, without overruling the existing core business operations and membership management policy. It is in this search, that Craft Silicon , as a financial solution company , provided a Micro finance solution that did not only suit business need and membership management , but also allowed **Jamii Bora** to replicate their core business operations with a lot of ease. This Micro finance Solution is BR MFO.

Jamii bora, started running their first pilot for BR MFO in Jan 2004, any new members joining then Jamii Bora, would be registered in new system. By 31 May 2005, began final migration from Excel system to new system, to keep old records up to date.

Initially there were 60 branches which had to be consolidated into one database for easy access, in all branches. Currently there are about 114 branches with over 270, 000 members. With over 300 Point of sale used in different parts of countries e.g. Mathare , Soweto ,in Nairobi , and marginal areas such as moyale , marsabit ,Kiina , Modogashe , Endau , zombe,etc, that allow members to be served online, and real time. With a fiber back haul technology linked from Safaricom to **Jamii Bora** main head office, communication using the POS, has been much faster and more efficient, and reliable.

With the growing demand for 'banking for non or low income earners', **Jamii Bora** , is currently moving its business operations to core banking , where its members can access banking facilities even with the same services provided , to their level. In this Jamii bora, is on process of migrating to Bankers **Realm –core banking solutions** that is also provided by Craft Silicon.

Benefits of Bankers Realm

To Business

The main benefits the business has gained from the new system is

- Batch end of transaction processing
- Consolidation of database from different branches
- POS system that enable serve customer remotely and update records online and real time
- Tailor made features to suit flexible nature of business of lending services to its customers
- Better reporting and accountability of records.
- Better security features.
- Efficient reporting systems, and customizable to suit different reporting standards as required by regulatory.
- Able to track small amounts, but large volumes of transactions.

To MEMBERS

The new integrated system has helped **Jamii Bora** members as follows

- Can easily access the business services, savings, and loan repayment services while still in remote areas.
- Borrow money and can easily track their repayments through efficient loan schedules.
- Borrow a small amount of money at low interest to boost standard of living.
- Help members climb ladder of borrowing money and improve their business.
- Provide other programs initiated by **Jamii Bora** that create employment, opportunities, and better their families.
- Provide easy at the door step access to bank access through the Point of Sale devices.

Brief description of product

Jamii Bora has unique packages of micro finance products, business loans, agriculture loans, housing loans, water development and infrastructure. In this nature of business, **Bankers Realm Core Microfinance solution** provided by Craft silicon, has been able to incorporate, not only their product based services, but also account for individual members accessing this services while within a group.

BR MFS solution is able to integrate with other alternate channels, such as Point of sale, which is a product provided by Craft silicon, and connects using the **Bankers Realm Electronic Funds Transfer (BREFT)** switch. The **POS** enables **Jamii Bora** to reach their members who are in remote areas to provide bank services such as deposits, withdrawal, member registrations, loan application, loan disbursements and print accounts statements. These services provided are updated to main database online and real time.

Due to growing nature if **Jamii Bora** business, has migrated its business to provide banking services to their customers, while still providing microfinance services to its customers. In this effort, **Bankers Realm –Integrated Banking Solution**, a solution also provided by Craft Silicon has enabled **Jamii Bora** business to move its microfinance business to banking business seamlessly.

BR Core Banking Solution offers hard core banking functionalities and operations that are common and much more in most banking institutions , it also provide easy to migrate capabilities for Micro finance customers. It has features that meet banking regulatory standard required, and can be customized to suit business banking needs as such is the example in **Jamii Bora Bank** and others such as World Women Bank , Ghana.

Other solutions provided that help most financial organizations to tap into their potential customers are Automated Teller Machines (ATM) , these are leased to business to help customers to access banking services 24x7 basis. Craft Silicon also provides internet banking solution through a rich and dynamic solution called - **Banking@Home**, this is an all round the clock internet banking service that can be deployed to any financial solutions , to allow customers to access and make bank request right at their convenient using the internet. Mobile Banking which is now a growing industry has provided huge opportunities to reach customers through services such as SMS banking and Mobile banking. Craft Silicon provides **Trucell** which is a mobile banking service that provides similar service to Point to sale , only that it works both for the user to access bank services , and for the bank employee to provide services to customers. **bMobile** is SMS banking application that allows users to send request to bank and get prompt response through sms. Also provides opportunity for bank to inform their customers on latest products, new rates, new offers and services in the bank. All these services can be integrated to both banker realm core financial solutions (BR MFS, BR Integrated banking) and other solutions such as Temenos and Flexcube.