

## Agent Management

Agents are the representatives of the mobile money service provider, and the face of service to the customers.

The agent network plays a major role in the adoption and success of mobile money services. To ensure service availability subscribers must be able to easily access an agent, therefore a sufficient number must be deployed as part of the distribution network; the size of the network should grow in relation to the growth of the customer base. The selection, training and ongoing monitoring of agents is key for the mobile money service provider. They must be reliable and must be able to serve and help subscribers.

The agents are the mobile money service provider's sales force. They support end-users in accessing mobile money services and interact with other agents who are part of the mobile money sales and distribution network.

The number of mobile money agents in emerging market grew rapidly in 2013 (71.%) reaching 886,000.

In many markets, agents rather than banks are becoming the face of the financial industry; mobile money outlets outnumber bank branches in over 80% of emerging markets surveyed by the GSMA MMU.

The type of agent required will differ depending on the needs of the mobile money deployment. Different types of agent will offer different types of services, depending on their position in the service provider's distribution network.

### Agents' roles and responsibilities

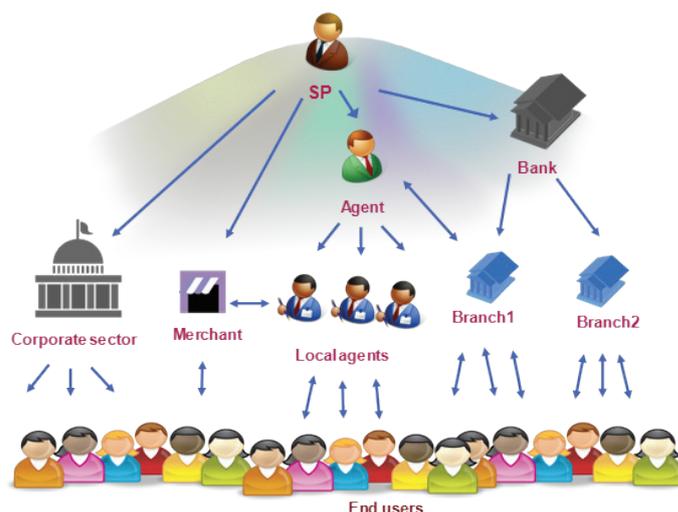
The responsibility of each agent depends on their position and their rights within the service provider's network. The main responsibilities include:

- To enroll new subscribers including preliminary KYC (Know Your Customer) checks
- To conduct cash-in, cash-out and sometimes over the counter operations such as money transfer
- To educate subscribers in mobile money use
- To be the face of the service provider in the eyes of the subscriber

### Agent Sales and Distribution Network

Based on the flexibility in the mobile money platform, the service provider can define and develop its own and unique agent network to best suit the particular market requirements. The set up may vary from an "open market" to a "walled garden" network. In an "open market" network, there is no restriction on the relationship between the agents; all agents can send or receive transfers from any other agents, regardless of their position in the sales and distribution network.

In a "walled garden" network, the relationships between agents are restricted to top-down distribution within the sales and distribution network.



In order to maximize the efficiency of the agent networks, mobile money service providers may want to organize agents in groups. This service allows group managers to track and monitor group members activity. It is possible to have dedicated groups in which each group member is registered within the system, but they all use one unique account to sell and / or transfer credit. This setup is well suited to a shop environment where there are many vendors, each possessing a mobile device to sell services and all transactions are linked to the shop account.

### Agent activity

A record of each transaction is stored in the system and can be easily retrieved via an interface. This interface also provides authorized agents with the tools to view, track and monitor the evolution of all transactions they have been involved in.

### Maintain agent skills

Agent quality is critical for building and maintaining customer's faith in the system. Thus, it is important to offer agents ongoing training services, especially at launch and when introducing new features. The service provider should be prepared to train and retrain agents.

### Growing the agent network with the customer base

The balance between the size of the mobile money subscriber base and the agent network needs to be carefully and continually evaluated. If there are too few agents, subscribers perceive the system as difficult to use. On the other hand, if there are too many agents, many of them will not be able to generate enough revenue. This may damage system's credibility with subscribers. It is therefore important to regularly monitor the ratio of agent to subscriber base.

The analysis of this ratio should consider various parameters like the environment (rural, urban), the population density, the exposed services etc.

As an example, 70 active subscribers per agent has been an applicable ratio in Africa. As well, 1000 transactions per month is a good activity level for an agent.

To ensure the success of agent network expansion, one option is to progressively extend region by region, to keep the network growth manageable.

### Agent commissioning schemes

Agent remuneration should be carefully analyzed. This is a crucial factor in encouraging agents to push mobile money services to subscribers and will contribute to the awareness of the mobile money service. It is imperative to consider the commission schemes which will be put in place when building the mobile money service provider business model.

Commission schemes should be flexible as they will evolve with the introduction of new services but also with the extension of the mobile money agents. The service provider needs to be able to monitor and adjust the commission plans to ensure the distribution network is always motivated to sell mobile money services but also to maintain overall profitability and limit costs.

For instance, agents that were used to sell recharge vouchers for a certain commission will unlikely encourage the use of mobile money to purchase electronic recharge unless they can recoup at least the same revenue from this new service.



Image credit: <http://nextbillion.net/>

### Agent liquidity management

A key issue in agent management is monitoring the level of cash that agents hold in their till to ensure that they have enough to make their daily operations.

Monitoring agent liquidity is not an easy task, methods range from regular visits and the manual gathering of cash level information for rural individual agents, to sophisticated tills signaling the cash level automatically to a centralized management system in large retail networks. Predictive analytics can be applied to anticipate the liquidity level required for a normal week day, week-ends and holiday periods.

### Complementing the agent network

While agents remain the most popular distribution channel for mobile money, in many markets service providers are complementing the Agent Network with ATM deployments. While ATMs cannot fill the education and promotional role of an agent, they can strengthen the reputation of the service by offering accessibility 24/7 and also usually have sufficient liquidity to handle cash-out requests.

### About eServGlobal

eServGlobal (LSE: ESG, ASX: ESV) offers mobile money solutions which put feature-rich services at the fingertips of users worldwide, covering the full spectrum of mobile financial services, mobile wallet, mobile commerce, recharge, promotions and agent management features. eServGlobal invests heavily in product development, using carrier-grade, next-generation technology and aligning with the requirements customers worldwide.

Together with MasterCard and BICS, eServGlobal is a joint venture partner of the HomeSend global payment hub, a market leading solution based on eServGlobal technology and enabling cross-border money transfer between mobile money accounts, payment cards, bank accounts or cash outlets from anywhere in the world regardless of the users location.

eServGlobal also builds on its extensive experience in the telco domain to offer a comprehensive suite of sophisticated, revenue generating Value-Added Services to engage subscribers in a dynamic manner. eServGlobal has been a source of innovative solutions for mobile and financial service providers for 30 years