Agent Loyalty Program Recommendations

	RECOMMENDATIONS	EFFORT (INVESTMENT & TIME)			INVESTMENT & TIME REQUIRED
		LOW	MED	HIGH	
ALTERNATIVE REVENUE STREAMS	1. Providers can allow agents to use their float to cross-sell electronic airtime and earn commissions from this as an additional revenue stream. This suggestion is informed by the fact that mobile operators have the opportunity to push airtime sales via mobile money, but most users may still not be comfortable doing so without assistance. Operators therefore gain from cost reduction of distribution of physical vouchers and also drive awareness of mobile money services to customers.				The effort here is minimal and could take less than a month to implement with minimal investment, except in communication to agents on how the new system would work and also on secure processes to avoid losses due to fraud. However, mobile money providers will need to consider the risk of increased airtime commission costs, and therefore ensure that there is a balance in the way the benefits are realised.
	2. Mobile money providers can reward agents for partner account acquisition: to recruit strategic partners who would accept both bulk payment and utility/bill payments via mobile money. The provider can choose to apply: a. a one-time payment for each account acquired and on-boarded successfully b. a residual ongoing commission spread out over a fixed period. The advantage of this is that it motivates the agent and helps the provider to pass the 'relationship management' role to the agent, and extends the MNO's reach.				This may take a lot more time to implement (approximately 1 – 3 months) to allow a business case to justify additional commissions. The business case should be able to demonstrate that the recruited accounts will bring ROI made on commissions paid within the shortest time. The provider should therefore be very clear about the calibre of accounts to be recruited to target these for earlier acquisition in order to realize ROI faster.
	3. Mobile money providers can also allow agents to earn commissions for resolving complex customer escalations.				This would require a huge investment in systems, training and close supervision to ensure adherence to set quality standards for dispute resolution.
	4. For a few agents who demonstrate capacity and ability to expand their portfolio, the MNO can co-sign their agents to offer other proximity services that require high customer contact but which are seen as complementing rather than competing with mobile money services, such as banking (for account opening, credit services) insurance, government services, utility services, international money transfers, etc.				There are several ways of doing this: the provider may opt to charge the organisation using the agent network an ongoing transactional commission for its services, adopt a revenue share model, or maximize on increased transactions on mobile money. However, regulatory controls may limit how this is implemented due to rules imposed on exclusivity.

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NEGOTIATED FINANCIAL FACILITIES FOR AGENTS	5. **Credit Facilities**: In most markets, agent liquidity is a major pain point, therefore any additional capital to increase agent liquidity and expand agent business should be an operator's priority. Credit is one way to do this. After some due diligence is done, MNOs can offer direct credit service to agents (depending on their ability to do so) or form [partnerships with banks]() and [3rd party start-ups]() to finance key agent accounts at preferential interest rates. Qualification can be based on commission earnings over time and compliance to set standards (e.g. AML, branding, customer service etc.) to set the credit limits per agent. As a result, agents will have access to additional capital to expand their businesses and increase float availability, which in turn assures liquidity to customers leading to higher satisfaction levels, and automatic repeat business for agents.		Credit offered directly by the provider may be easier implement and can only be offered to very highly trusted agents because credit is not their core business - mobile operators do not have the experience and resources to manage complex credit scoring for a large number of agents to ensure they capture the most creditworthy agents. Operators may also not be able to follow up to ensure that the loans taken are used for what it is intended - float. Providers need to be careful to also check their level of credit risk exposure especially if there are chances of any unexpected defaults. Since financial institutions have the systems and resources to extend credit services to agents they would be more willing to take the risk of doing so. However, it may take longer to reach a contractual agreement and implement such a scheme.
	6. **Reduced Transaction Fees**: Another way of supporting agents is partnering with banks and other financial institutions to subsidise super-agency fees.		Success will depend on the kind of relationship the provider has with financial institutions.
IMPROVED RELATIONSHIP MANAGEMENT	7. An MNO can invest in additional resources to manage, support and provide constant communication and feedback to top compliant agents. This can be through dedicated customer care line support, staff set aside to give dedicated support and care to select key agents, special commission, free branding, etc.		This is easy to implement at little or no cost to the provider if the resources are already available in-house. However, if the resources need to be hired, then there would be some implications on OPEX
	8. By understanding the business needs of agents, the provider may want to support an Agent 'Business Club' to share best practices for business growth and improvement as well as financial management training to close financial management knowledge gaps.		By encouraging collaboration among agents, an operator can spur up innovative ideas from the agents themselves rather than being an enforcer. Huge benefits can be gained from this approach especially when the agents take the lead and communication between agent and MNO is open.
	9. In high-risk markets where agents are frequently prone to security threats, mobile operators can partner with insurance and security companies to support high-risk agents.		The effort required to set up an insurance and security policy will depend on the risk evaluation of the companies, the commercial agreements reached by the MNO on the Agents' behalf and the Agents' acceptance of the offer.

STRUCTURED REWARDS SYSTEM	10. An agent classification matrix based on forecasts for agent growth, transactions and values can be used to rank agents based on their performance. Such classification creates healthy competition among agents and makes them aspirational. Classify transaction types that can qualify redeemable loyalty points.		Ranking agents based not only on the volume and value of transaction but also compliance, should be a continuous practice to ensure that the operator can segment and manage agents easily. The operator can focus on giving more time and resources to agents who are committed to increasing business in order to inspire those that are not to start doing so.
	11. Financial rewards through a public Award Ceremony based on achievement of consistent float availability, high transaction values and a clean history of compliance to set regulations.		Making the benefits explicit may create an upward spiral in business improvement month on month. Reward is a sure motivator to achieve this.