



Mobile Money for the Unbanked

Building, Incentivising and Managing a Network of Mobile Money Agents:
A Handbook for Mobile Network Operators

Building a Network of Mobile Money Agents

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This is the first section of a handbook on agent networks developed by the GSMA. Also part of the handbook are sections on incentives for agents and ongoing management of the network, and an article on agent network regulation will accompany the report. The complete handbook can be found at <http://www.mmublog.org/agent-networks>.

Introduction

In this article, we explore the key issues facing operators as they build agent networks to support their mobile money platforms. For easy navigability, we've structured the article as a series of questions, with responses that draw on the experiences of operators around the world. For many questions, it's not yet possible to indicate best practices with certainty, particularly since 'best practice' will likely vary by market on account of features unique to each country. Still, we strive to provide a clear analysis of the merits and drawbacks of various approaches.

We begin by defining the roles that operators assign to agents and how these roles vary across (and sometimes even within) markets; we consider the optimal size of an agent network, both at launch and thereafter; and we discuss what operators should require from agents and on what basis they should select them. We then take a close look at some of the processes that need to be in place to build the network: systems for recruiting agents, processing applications, and training new agents.

What do agents do?

Agents perform three key roles: they register customers, educate them, and facilitate cash-in/cash-out transactions. Agents for M-PESA in Kenya perform all of these functions; in other deployments, these functions are disaggregated and assigned to different classes of agents. These responsibilities can be disaggregated even further – distinguishing agents by the size of the cash-in/cash-out transactions that they are authorized to perform, for example. There are advantages and disadvantages to setting up agent classification systems in which different agents specialize in different things, and operators need to understand these before deciding which model works best for them.

Agent Uniformity: the Safaricom Model

One of the most important characteristics of Safaricom's M-PESA agent network is its

homogeneity. That is, while the logo may be painted on each agent's storefront in a slightly different way, every M-PESA agent has the same set of responsibilities and authority and adheres to the same set of guidelines.

This approach works well for three reasons. First, agent uniformity is easy for customers to understand. When a customer sees an M-PESA sign, they correctly assume that they can perform any type of transaction there. Likewise, because every agent displays the exact same M-PESA tariff card with a simple pricing model, customers can easily understand how the service works and what they should be paying for each type of transaction. Second, the consistent customer experience delivered by the uniform M-PESA agent helps foster trust – particularly for customers that are new to formal financial services. And third, integrating the responsibilities of customer registration and cash-in / cash-out makes it easy for customers to start transacting on the platform immediately after signing up.

Agent heterogeneity: when not all agents are the same

Yet many other mobile money providers have decided against agent uniformity, instead assigning different sets of agents different roles or characteristics. For instance, MTN Uganda has two different categories of agents: field registration agents who are tasked simply with signing up new customers, and cash-in/cash-out agents. This represents a departure from the uniform M-PESA model by separating responsibilities into two types of agents.

The agent model chosen by South Africa's Standard Bank Community Banking represents a departure from the M-PESA model too, but in a different way. They have built an agent network composed of different types of agents: small shops, bank branches, bill-payment counters. All of these agents perform cash-in/cash-out, but each category has a different tariff structure.

	Community retailer	Cell phone	Standard Bank ATM	Standard Bank branch	Other banks ATM	Other retailer POS (MasterCard merchant)	EasyPay retailer
Payment to another Standard Bank mobile banking account	1% with min 50c max R10	1% with min 50c max R10	not applicable	not applicable	not applicable	not applicable	not applicable
Purchase goods from retailer	1% with min 50c max R10	1% with min 50c max R10	not applicable	not applicable	not applicable	R2,25	not applicable
Cash paid into your Standard Bank mobile banking account	1% with min 50c max R10	not applicable	R4,50	R9,00	not applicable	not applicable	R9,00
Cash out	1% with min 50c max R10	not applicable	R4,50	R9,00	R4,50	not applicable	not applicable
Airtime purchase (MTN, Vodacom, Cell C, Telkom)	free	free	free	not applicable	R4,50	not applicable	not applicable
Electricity purchase	free	free	free	not applicable	R4,50	not applicable	not applicable
Balance enquiries	R0,50	R0,50	R2,25	not applicable	R2,25	not applicable	not applicable
Mini-statement	R0,50	R0,50	not applicable	not applicable	not applicable	not applicable	not applicable
Payments to another bank account	R3	R3	not applicable	not applicable	not applicable	not applicable	not applicable
Payment of an EasyPay bill	R3	R3	not applicable	not applicable	not applicable	not applicable	R3,00
Payment to a credit card	R3	R3	not applicable	not applicable	not applicable	not applicable	not applicable
Purchase and/or cashback at other retailers Point-of-Sale	not applicable	not applicable	not applicable	not applicable	not applicable	R4,50	not applicable
Cheque deposits	not applicable	not applicable	free	free	not applicable	not applicable	not applicable

Standard Bank Community Bank Schedule of fees – 2009

But why have these deployments broken from M-PESA's proven agent model and decided to allow different agents to perform different functions (in the case of MTN) and charge customers different prices for transacting at different types of agents (in the case of Standard Bank)?

In MTN's case, the decision to separate the registration function from the cash-in / cash-out function enabled them to quickly acquire customers, for two reasons. First, MTN was able to rapidly mobilise a large sales team since it is quicker and easier to onboard a field registration agent than a cash-in / cash-out agent. Moreover, a field registration agent spends 100% of his time promoting mobile money, whereas cash-in / cash-out agents are typically engaged in other lines of business, leaving them with less time to promote the service aggressively. Second, field registration agents are mobile, whereas cash-in / cash-out agents are not. This means that MTN can deploy field registration agents to customers in the places where they congregate, such as malls or festivals. Cash-in / cash-out, on the other hand, have to wait for customers to come to them.

In Standard Bank's case, their strategy was to tap into existing distribution channels – channels like bill-payment outlets that were already in place in the relatively sophisticated South African market – but they found that doing so required paying different commissions to different kinds of outlets. To preserve its own margins, Standard Bank decided to charge customers different tariffs that mirrored the different commissions that they paid different categories of agents.

The decisions made by MTN Uganda and Standard Bank required them to make tough tradeoffs. For Standard Bank, leveraging pre-existing distribution points to rapidly scale their agent network justified the risk that customers would be put off by a tariff structure that varied by agent type. For MTN, the ability to rapidly sign up new customers using customer acquisition agents justified taking two risks. The first is that aggressive field registration agents, in an effort to maximize their commissions, would sign up customers that have no real need for the services offered by MTN MobileMoney – although MTN Uganda's management believe that all its customers are potential users of mobile money, making such an ambitious customer-registration effort worthwhile.

The second risk is that even customers who wanted to use the service might struggle to find a cash-in / cash-out agent to start transacting after signing up with a field registration agent.

Further refinements

Beyond the deviations from the agent uniformity model already seen by MTN Uganda and Standard Bank Community Banking, a third kind of variation is possible. **We expect that operators will begin to appoint different classes of agents based on the transaction values which they are empowered to perform.** For example, small, informal agents might have low transaction limits, while bank branches, supermarkets, or other formal outlets with deep pools of liquidity would specialize in large-value transactions. This will offer users the ability to make very large and very small value cash-in/cash-out transactions, transactions which today are either unaffordable or impossible but would make the service more attractive to high and low value customers. But operators will have to balance this opportunity to permit a broader range of transactions – and thereby entice users at the base of the pyramid and at the high end to sign up – with the added complexity of a heterogeneous agent network.

Nevertheless, operators, particularly those who are launching a new mobile money platform, should not forget how complex mobile money can seem to potential users. This is particularly important when the target market is unbanked people with low levels of financial literacy. When this is the case, operators should exercise caution when introducing refinements into their agent network that confuse the target market.

How big should an agent network be?

Operators and users alike want agent networks to be as large as possible. **However, there are good reasons why growth in agent networks has to be carefully planned to ensure the overall success of the deployment. Our analysis suggests that operators should take a three-phased approach to scaling their agent network:** (1) recruit an adequate number of agents throughout the market to support a commercial launch; (2) redirect resources from agent recruitment to customer acquisition after launch; then, once an equilibrium between the number of agents

and the number of customers has been achieved, (3) grow the two in parallel.

Pre-launch

Before launching, operators recruit the number of agents they believe will be sufficient to meet demand from early adopters. This number will be smaller than the number of agents that the operator seeks to have in the long run, but experience shows that growing the agent network too fast, too soon entails significant risk.

To justify sticking with the service, agents need to perform a certain number of transactions per day. That's the only way they can earn a sufficient return on their investment in float. **When operators recruit too many agents before launch, there often won't be enough business to go around, causing agents to defect.** This can happen quickly. One mobile operator recently launched a service and within two months had signed up 3,000 agents but just 60,000 customers. Assuming each customer performed two transactions per month, this would provide each agent with just one transaction per day on which he would likely earn less than a dollar in commissions. This poor return led many agents to reinvest the capital they previously committed to float into something more productive and to forget key processes related to mobile money. **This cycle can jeopardize a deployment: when agents lose interest and stop holding float, customers become frustrated because they can't find a liquid agent and stop generating the very transactions agents need to justify their investment in mobile money.**

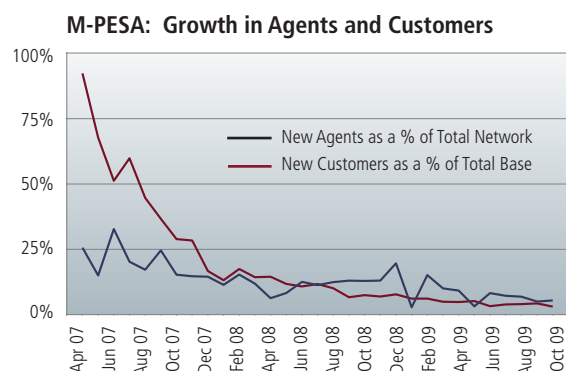
Since the number of agents that operators seek to have active at the time of launch is small (relative to their ultimate ambition for the scale of the network), it's important to optimise their geographical distribution. For instance, deployments that focus on money transfer will need to recruit agents in strategically defined 'send' and 'receive' areas. In the case of M-PESA, this meant recruiting not just in Nairobi, but also in rural areas. To map the specific remittance corridors for which each end will require coverage, some operators examine data from existing airtime transfer services, or leverage market knowledge from bank partners that may already offer remittance services.¹

¹ It is because domestic remittance corridors are inter-regional that pilot tests of mobile money in narrowly circumscribed geographies often fail.

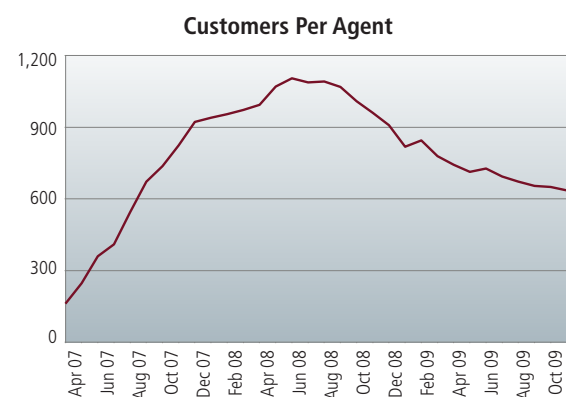
Post-launch

After going to market, operators should change their focus from signing up agents to signing up customers. Having previously signed up a cadre of new agents, operators need to, as quickly as possible, send those agents the business that will keep them committed to mobile money. Over time, the ratio of users to agents will thus begin to increase.

For example, Safaricom launched M-PESA with just a few hundred agents in Kenya (that is, fewer than 5% of the number of M-PESA outlets today). Thereafter, they signed up new customers much more rapidly than new agents: in the first quarter, for example, the number of users quintupled, while the number of outlets barely doubled. Within six months, the number of users per agent had grown from zero to 600.



That ratio continued to increase until it reached 1,000 users per agent in June 2008. It was only then, roughly 15 months after launch, that Safaricom started recruiting new agents more quickly than new customers (again on a percentage basis).



Managing controlled, sustained growth

Because each market is different, it is impossible to generalize about what the ratio between users and agents should be. **Ultimately, operators will know when they've found this equilibrium when users have convenient access to agents that maintain float – because agents, in turn, get enough customers to reward them for doing so.**

Once this equilibrium is achieved, operators should seek to maintain balance by growing their agent network and their customer base roughly in parallel. **Operators can do this by carefully timing their use of mechanisms that will accelerate growth in customer numbers (from increased above-the-line marketing expenditures to temporary trade promotions that encourage signing up new customers) or the agent network (such as special incentives offered to aggregators for signing up new agents).**

What should mobile operators look for in a prospective agent?

Mobile operators accustomed to designing airtime distribution networks, typically with the goal of ubiquity in mind, may ask why it is important to screen agents so methodically. Mobile money agents need to be selected more carefully than airtime retailers because mobile money and airtime are distributed in two fundamentally different ways.

Airtime is sold by retailers as a product. It comes in the form of a physical scratch card, has a clearly marked price, and requires a simple exchange of cash and a product between customer and retailer. Even in markets where electronic top-up is available, customers understand the exchange as an electronic equivalent to buying a scratch card.

Conversely, mobile money agents offer customers a service: loading or unloading monetary value into or out of the customer's account. Moreover, as service providers, agents are also expected to help educate customers about mobile money – an unfamiliar concept to target customers – and, if they themselves are trustworthy, play a pivotal role in the early days of a deployment in building trust. For all these reasons, the bar for mobile money agents should be set higher than for airtime retailers.

To some extent, operators can control the quality of their mobile money agents by establishing eligibility requirements. Some of these criteria will likely be dictated by regulation, but in most markets operators need to develop selection criteria of their own. These typically include the following:

#1: Ability to maintain sufficient cash and e-money float balances.

In nearly every market, deployments stipulate minimum values of physical cash and e-money float that agents must maintain. These minimum values are designed to ensure that agents will be able to serve the projected number of customers for their catchment area. For instance, Zambia's Celpay requires agents in metro Lusaka to maintain US\$780 in float, and rural agents to maintain US\$575 at any point in time.²

But how can operators assess whether a potential agent has the means to maintain the required amount of float? Pakistan's easypaisa leverages Telenor's data on airtime agent sales to identify retailers that are healthy and liquid businesses prior to approving them as a mobile money agent. Operators who are offering mobile money services in partnership with banks can leverage their partner's expertise in evaluating the financial health of small businesses. And in cases where the retailer is a current client of the bank, operators can make use of the data gathered over the course of the relationship between bank and retailer. For instance, MTN Mobile Money in Ghana works with 9 bank partners, each of whom leverages their knowledge of existing clients to help identify suitable agent candidates.

Float Requirements

Typically, operators require agents to commit to holding a certain amount of cash and e-money. This is almost always in addition to the "cash in the till" that retailers would hold anyway. Operators need to decide what they can realistically expect agents to maintain in float, taking into account agents' access to capital, their alternative investment opportunities, and so on. **It is also worth noting that, in our experience, minimum float requirements are flouted (with the operator's tacit consent) in many markets in the early days of a deployment.** As discussed in the introduction to this section, it is only when agents are sent customers who want to transact that they begin to see value in maintaining float.

#2: Strategic retail locations

As with any retail business, location for mobile money agents is important. In recognition of this, WING, a bank-owned, multi-operator deployment in Cambodia, has focused on creating a dense network of agents along a busy road in Phnom Penh where many prospective customers work in garment factories. WING staff have personally vetted the suitability of each agent location. In the long term (and when sustainable), mobile money deployments often seek to have at least two agents in each locale to promote healthy competition.

Agent Branding and Merchandising

Agents are often required to brand their shops with materials furnished by the mobile money service provider. This usually consists of signs or banners for the outside of the shop which advertise that the establishment is a mobile money agent for an operator and not merely a seller of airtime; and then a poster for the inside of the shop that plays a customer education and protection role.

When deciding how much to require of agents, operators should be realistic about the amount of leverage they bring to the relationship. For example, Safaricom in Kenya prohibits its M-PESA agents from selling airtime for rival mobile networks and insists that M-PESA agents be prominently branded as such. But it was able to do so in part because of its dominant market position (74% market share at the time M-PESA was launched), a position of negotiating strength that few other operators enjoy.

#3: Literate staff

Mobile money agents must be literate since their responsibilities always include performing processes that involve reading and/or writing. In some cases, it will be necessary for agents to be literate in a language other than their native one. For instance, agents for M-Paisa in Afghanistan must be able to read in English or in phonetic Dari and Pashto to conduct transactions on their handsets and record information.

#4: Trusted by the community

Because mobile money is a financial service, the credibility of a new service can be enhanced if agents are themselves already deemed trustworthy by consumers. This can be achieved in several ways. Many operators have established partnerships with large retail chains that offer high brand visibility

² For more information, see "Case Study - Zambia" in the 2009 *Mobile Money for the Unbanked Annual Report*. http://www.gsmworld.com/documents/mmu_2009_annual_report.pdf

to serve as agents – chains which frequently also have deep pools of cash liquidity which they can leverage for cash-out. In other cases, operators have used aggregators with local knowledge of the retail landscape in particular areas to source the most trusted and respected agents – even when they're small and informal businesses.

#5: Reach

Signing up multi-outlet agents (supermarket chains, banks, microfinance institutions, etc.) often offers a quicker route to scale than recruiting single-outlet shops one by one. But given that the retail sector is largely informal in most markets conducive to mobile money, independent outlets typically form the backbone of any operators' agent networks.

How are agents recruited?

Recruiting agents is one of the most time-consuming and costly parts of launching a new mobile money service, given that the value proposition for agents is not yet obvious to the pool of potential agents. Broadly speaking, it involves three activities: identifying potential agents, educating them about mobile money, and encouraging those who are interested to apply. Since in most markets the pool of potential agents is much larger than the number who will ultimately become agents – at least in the early days of a deployment – operators have to cast a wide net in order to sign up their target number of agents.³ One key decision operators need to make is whether to do this work in-house or to outsource it. In the early days of its M-Paisa deployment, Roshan tasked its regional sales managers with the responsibility for signing up M-Paisa agents, but found that they did not have sufficient bandwidth to devote to the effort. Alternatively, some operators hire resources within the mobile money team who are responsible for recruiting agents. The major drawback to this approach is that these new recruits will probably not know the retail landscape in sufficient detail throughout the country to identify promising agents particularly efficiently. When operators decide to outsource agent recruitment, they must also decide to whom to outsource, and on what terms.

The experience of Vodacom Tanzania, which has tested multiple recruitment strategies when setting up an agent network for M-PESA – from leveraging airtime distribution channels to engaging a field support agency, and finally to an aggregator model – illustrates the advantages and disadvantages of each approach.

Leveraging Operator Airtime Distribution Channels

When initially planning for M-PESA's launch, Vodacom Tanzania hoped to leverage its existing airtime distribution channel in building an agent network. Specifically, Vodacom Tanzania wanted its six airtime superdealers (that is, the businesses to which Vodacom Tanzania sells airtime and which in turn sell it on to the channel) to spearhead the recruitment of agents, exploiting superdealers' and their dealers' knowledge of the channel to identify potential agents based on their location, volume of airtime sales, and other factors. But when Vodacom Tanzania approached its superdealers and asked them to take on this role in exchange for a share of future commissions, they only agreed to contribute their directly owned outlets to serve as M-PESA agents, but declined to play a more strategic role⁴ as the M-PESA commission model was not designed to pass on commissions to further tiers.

Engaging a Field Support Agency

Vodacom Tanzania realized that building an agent network throughout the country without the help of their superdealers would require a lot of legwork. There are few chain stores in Tanzania, so quick wins (getting a large number of agents by signing a single deal) would not be common. And since they would be contracting with them directly, the obligation to conduct due diligence on potential agents was significant. To ease the demands on internal resources, Vodacom hired Afrikings – the company already responsible for field marketing and sales for Vodacom's airtime distribution network – to recruit M-PESA agents. Even with their help, this turned out to be a slow process; out of 100 potential agents that would attend an information session about M-PESA, only ten would show interest, and many of these would ultimately prove unsuitable in the due diligence process – a process which, even

³ Eventually, operators can scale back or even eliminate most of their recruiting efforts, once the number of potential agents which self-identify and apply on their own is sufficient to meet the operator's growth targets.

⁴ For a more thorough discussion of why this often happens, see our "Incentivising Mobile Money Agents" at <http://www.mmublog.org/agent-networks>.

for successful applicants, took 3–4 weeks. In part, the problem was that Afrikings representatives lacked detailed knowledge of the retail landscape in the many towns and villiages they were responsible for, meaning that they were unable to quickly sort through the large number of potential agents to hone in on the most promising candidates. Nevertheless, by April 2008 Vodacom had assembled 100 agents and went to market with M-PESA.

The Aggregator Model

As time went by, it became clear that Vodacom was unable to recruit agents fast enough to keep pace with growth in the customer base. So it decided to add a layer in the distribution channel between Vodacom and its agents that could speed the agent acquisition process. These new players, called aggregators, were to be responsible for recruiting new agents and for managing their float. In return, they would be paid a bonus for each agent recruited and a percentage of commissions earned by that agent going forward. Aggregators were given no regional exclusivity, unlike Vodacom Tanzania's airtime superdealers.

This structure proved to be effective, and it persists at Vodacom Tanzania to this day. There are seven aggregators, and the intention is ultimately to have no more than ten.⁵ Vodacom Tanzania has found that these aggregators can sign up agents extremely quickly; one, for example, signed up 50 agents in three weeks.

Defining the Role of Aggregators

Speed is the crucial advantage of the aggregator model. Typically, the driver of such rapid growth in the agent network is an incentive scheme for aggregators that rewards them for each agent they sign up. For obvious reasons, this compensation structure is more effective than one where aggregators are paid a salary or flat fee regardless of the number of agents that they sign up; however, the operator should not commit itself to paying such bonuses indefinitely, since at some point in the growth of the service it will no longer be necessary for aggregators to source applications; agents will apply for themselves.

Theoretically, the responsibility of aggregators could end once an agent is signed up. But it is important to avoid putting into place an incentive structure

that rewards aggregators for signing up bad agents – that is, those who are not going to actively serve customers (because they don't maintain float or for some other reason). One solution to this problem is to only pay out the full commission for signing up an agent to the responsible aggregator once that agent has performed some minimum number of transactions and/or signed up a certain number of customers – although aggregators would probably complain about this, given that the actions of agents are, ultimately, outside of the aggregator's control after the recruitment phase.

Vodacom Tanzania decided that its aggregators were positioned well not only to recruit agents, but also assist them in managing cash and electronic-value liquidity. As such, they decided to offer aggregators a percentage of the commissions earned by agents they'd signed up to M-PESA in exchange for helping them manage those agents' float. We discuss this arrangement in more detail in the "Managing Mobile Money Agents" section of this handbook where we refer to entities tasked with managing agents' liquidity as masteragents. The key point for now is to note that, by tasking aggregators with both recruiting and ongoing cash management, Vodacom Tanzania effectively incentivized them to sign up quality agents – that is to say, agents who are liquid and who will stand ready to transact with customers.

It is telling that, today, Safaricom recruits agents in a manner very similar to Vodacom Tanzania, even though it got started by recruiting agents using in-house teams. As customers started flocking to M-PESA in late 2007, those agents started making significant profits. In turn, huge numbers of agent applications started to flood Safaricom, outpacing its ability to review them properly. At the same time, agents began appointing other agents and managing their liquidity (i.e. activity of masteragents).⁶

When deciding which of these recruiting models is best for them, operators need to ask a series of basic questions. What are the internal capabilities – whether in the airtime distribution team, or the mobile money team – that could be leveraged for building an agent network? What is the appetite of airtime superdealers for distributing mobile money? Are there entrepreneurs in the market who can take on the

⁵ It is interesting to note that one of these aggregators is Afrikings, Vodacom Tanzania's field marketing esales support agency.

⁶ See "Three keys to M-PESA's success: Branding, channel management and pricing" by Ignacio Mas and Amolo

aggregator role? Are operators comfortable giving up some control over the identification and recruitment process? Only after answering these questions can the appropriate agent recruitment strategy be developed. What is clear is that aggregators speed the growth of an agent network and can play a valuable role in its ongoing management.

Is there an application process?

While the application forms are typically simple, prospective agents often struggle to produce the required supporting documentation to complete an application. This should not be surprising. Operators like M-PESA require everything from certificates of incorporation to 6 months worth of bank statements. For some prospective agents, these are not easy documents to source. Operators therefore need to balance a desire to diligently vet prospective agents by requiring extensive documentation with the equally strong need to build a network of sufficient scale. Generally speaking, there should be a clear rationale for each document required, and operators should test whether desirable agents will be able to supply all these documents.

From agent applicants that are not already Safaricom airtime dealers, Safaricom requires the following documents:

- Copies of Memorandum and Articles of Association
- Certified copies of VAT and corporate income tax certificates, where applicable
- A profile of the company and a business plan
- List of outlets
- Certificate of Incorporation or equivalent
- An official shareholding statement or equivalent
- Copies of IDs and passport photos of company director(s)
- Copies of IDs of key staff
- Completed M-PESA agent application form
- Business permits for each of the outlets
- Proof of minimum 6 months trading history in the form of 6 months of company bank statements

- Completed personal declaration forms by company director(s)
- Police certificate of good conduct for directors or persons playing equivalent role, office administrators, and primary assistants.

And just as some agents may struggle to produce the required supporting documents, some operators often find it difficult to process them at a reasonable speed.

Thus, prior to launch, operators should consider how long each application will take to review, reconcile it with the anticipated size of their agent network and scale their back office operations accordingly.

Some operators decide to supplement this back office review by physically visiting each prospective agent to inspect their premises, verify staff capabilities, and consider whether the location is desirable.

What obligations are contractually imposed on agents?

Contracts between operators and agents vary considerably across markets, but common clauses include:

- *Branding*: operators commit to furnishing agents with the marketing and branding materials which they need; agents, in turn, agree to use only materials provided by the operator
- *Commissions*: operators reserve the right to vary and/or suspend any commissions at any time (and when operators use masteragents and pay agents via masteragents, masteragents are obligated to pay out commissions to agents within a certain timeframe)
- *AML/CFT*: agents commit to carrying out AML/CFT checks, subject to training by the operator or its appointed proxy, and any reporting obligations imposed by the operator and/or regulator
- *Float*: agents commit to maintaining a certain level

of float (when operators use aggregators, this responsibility may be assigned to the aggregator instead)

- **Termination:** operators and agents typically reserve the right to terminate their relationship at any time and without cause

If an operator has chosen not to appoint masteragents, then its agents should be contractually prohibited from ceding, delegating, or sub-licensing any of their rights or obligations to any third party.

How are agents trained?

Training agents is a non-trivial undertaking. Agents must not only have a good conceptual grip on mobile money, be able to conduct transactions (including following all the associated business processes, such as maintaining a transaction logbook), and fulfill KYC and AML/CFT requirements; they must also be able to explain the service to customers and provide basic support to them. Every operator with a mobile money platform needs to develop a training program that covers these essential elements.

Training Cash In/Out Agents

To deliver this training, operators need to decide whether to train agents in the field, generally at the agent's retail shop, or at some central location. In Uganda, new handlers – that is, any new front-line employee of a cash-in/cash-out agent for MTN MobileMoney – receive up to six hours of training in the field. This training is a mix of theory and practice and is administered by representatives of Top Image (a field marketing support agency) that are dedicated to MobileMoney.⁷ The training culminates in an exam, and if the handler doesn't pass, the Top Image representative comes back the next day to conduct further training. In practice, however, sometimes new handlers are trained by other employees of the agent.

In contrast, Safaricom requires the owner or manager of each new agent to attend a full-day session in Safaricom House in Nairobi, which also culminates in an exam. This does inconvenience new agents and may discourage some small, “mom and pop” shops in remote areas from applying to be agents, since it would require shutting the shop, and forgoing a

day's revenue, to attend the session. However, the advantage for Safaricom is that it is better able to control the content that is presented to agents and can expect the agent's full attention for the day. Safaricom supplements this training with follow up visits (also by Top Image).

Splitting the difference, Orange in Côte d'Ivoire holds half-day training sessions for new Orange Money agents in regional hubs around the country, which are supplemented by in-store visits by staff thereafter.

Training Field Registration Agents

Operators who use a separate class of agents for customer acquisition generally employ a different training mechanism for them. In Uganda, field registration agents receive 2–3 weeks of field training when they start with MTN (although they are typically paid very little, if at all, during this time). This is mostly spent trailing more experienced agents to learn about the features of mobile money, the KYC process, etc. WING in Cambodia, has chosen instead to train its field registration agents in 2–3-day-long sessions before sending them out into the field to start signing up customers. Of course, the content for these sessions differs significantly from that which is presented to cash-in/cash-out agents, too: customer acquisition agents only need to be trained on one transaction type, but may need additional training on sales techniques.



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