Agent Management

Agents are representatives of a mobile money service provider, and the frontline of customer service

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. Consequently, the size of the network should adapt to requirements of the customer base.

The selection, training and ongoing monitoring of agents is key to the mobile money service provider. They must be reliable, able to serve and provide assistance to subscribers.

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

'There is currently no scalable alternative to agents - in 2015 they represented more than 90.5% of the cash-in and cash-out footprint.' *

The physical distribution of mobile money agents continues to grow, with 3.2M registered in 2015. This represents a

25.2%

year-on-year increase. *

Additionally, there are

10 times

as many registered agents as commercial banks in 37 markets. *

Agent's roles and responsibilities

The type of agent to employ depends on the needs of the mobile money deployment. Agents offer different services according to their position, responsibilities and rights in the service provider's distribution network. The main responsibilities are:

*   To enrol new subscribers while performing 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 usage
*   To be the face of the service provider in the eyes of the subscriber

Agent sales and distribution network

Funds that are released top down into the agent network can not reverse back up the structure. At this point they have to be further distributed. The means of their distribution depend on how the service provider structures the agent groups.

Building groups to support sales activity

Based on the type of mobile money platform, the service provider can define and develop a unique agent network to best suit market requirements. Organising agents into groups maximises the efficiency of the network, and allows managers to track and monitor members activity. The structure of the groups can be rigid or flexible.

Agent network
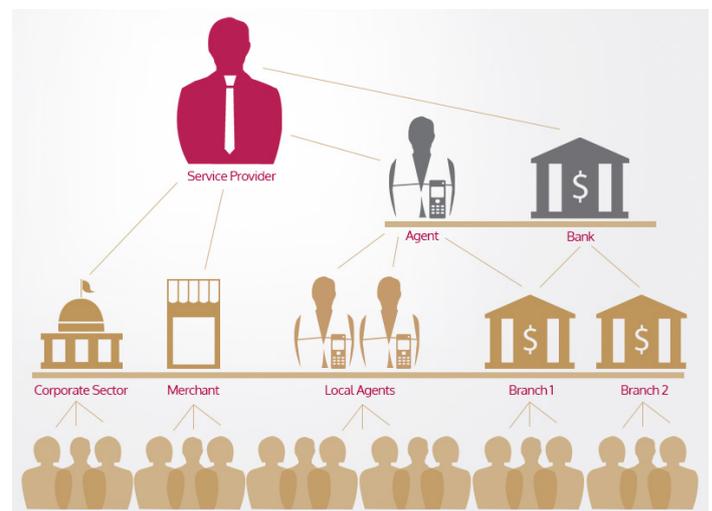
In some networks, agents are free to work with each other regardless of the structure. With a fleet network, service providers control which agents are allowed to work with each other, whether it be based on geographics, or a certain type of agent.

The more restrictive option requires that members register within a specific network, under which they all 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, with all transactions linked to the shop account.

Agent activity

Agents aim to increase subscriber service independency as this incurs less work for them. However, agent activity must be stimulated through new services and features to maintain overall network growth.

Despite the growth of agent networks, the key challenge for service providers is to increase agent activity. In a recent GSMA report, out of 3.2 million mobile money agents registered globally, those who processed at least one transaction in December 2015 stood at 1.6 million. This reduces the current average activity rate to 51.4% from 52.1% in 2014.

Maintaining agent skills

Agent quality is critical for building and maintaining subscriber's trust in the system. It is necessary therefore to offer agents ongoing training services, particularly at launch, and the introduction of new features. The service provider should be prepared to train, and retrain agents.

Growing the agent network with the customer base

Maintaining a balance between the size of the mobile money subscriber base and the agent network is important. If there are too few agents, subscribers perceive the system as difficult to use. Conversely, if there are too many agents, generating enough revenue for some will become too difficult and so they risk becoming discouraged. Either extreme can damage the system's credibility with subscribers.

Establishing the correct subscriber to agent ratio depends on environmental parameters such as whether the region is rural or urban, population density, and existing services available, etc.

For example, 70 active subscribers per agent has been an acceptable ratio in Africa, with 1000 transactions per month rated as a good level of agent activity.

To ensure the successful growth of an agent network, one option is to progress region by region in order to keep the network manageable.

Agent commissioning schemes

Agent remuneration should be carefully considered. This is a crucial factor in encouraging agents to sell to subscribers, and so contributes to general awareness of the services. It is imperative that service providers strategize the commission schemes when designing the business model.

Flexible commission schemes evolve with the introduction of new services and the extension of mobile money agents. To maintain overall profitability and limit expenditure, service providers must monitor and adjust the commission plans to ensure the distribution network is always motivated to sell the services.

Agents that are accustomed to selling recharge vouchers will unlikely encourage the purchase of electronic recharge unless they are remunerated with at least the same level of revenue as with the older service.

Agent liquidity management

A key issue in agent management is monitoring the level of cash stored in their till to ensure that there is enough to perform daily operations.

Monitoring agent liquidity is not an easy task. Methods range from regular visits to rural individual agents to ascertain cash levels manually, to sophisticated tills in large retail networks that automatically transfer data on cash levels to a centralized management system. Predictive analytics anticipate the liquidity level required for a standard week day, week-end or holiday period.

Complementing the agent network

While agents remain the most popular distribution channel for mobile money, many service providers complement this network with ATM deployments. While ATMs cannot replace 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.

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