

# Money, Real Quick!

Snapshot of the book on Kenya's  
Disruptive Mobile-Money  
Innovation

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Tonny Omwansa  
tomwansa@uonbi.ac.ke  
University of Nairobi



Available at Amazon (Kindle Version) @ < USD 5.00

<http://www.amazon.com/Money-Real-Quick-Guardian-ebook/dp/B007FPP7NI>

# HIGHLIGHTS

- 140 pages
- Nine Chapters
- Published by **The Guardian**
- General Readership/journalistic
- Based on a nine month field work
- Sponsored by **Rockefeller Foundation and GSMA**
- Co-authored with NICHOLAS SULLIVAN – Fletcher, USA
- **Launch during the mobile money summit (2012) in Milan**
  
- Research and writing was accelerated thanks to a Bellagio Fellowships from The Rockefeller Foundation, (a month at Bellagio Center (Villa Serbelloni) in Bellagio, Italy)

# HIGHLIGHTS

- Interviewed **over 100 contacts**, including thought leaders:
  - Michael Joseph – Safaricom
  - Njuguna Ndungu – CBK
  - Bitange Ndemo - Government
  - David Ferrand - FSD
  - Betty Mwangi - Safaricom
  - John Staley - Equity bank
  - Wolfgang Fengler – World Bank
  - Nick Hughes – formally with Vodafone
  - Ignacio Mas – formally with Gates Foundation
  - Amollo Ng'weno – formally with Gates Foundation
  - Robert Wilkinson – DFID
  - Guy Stuart – Harvard University

# INTRODUCTION

Book tells a story of innovation, disruption and transformation

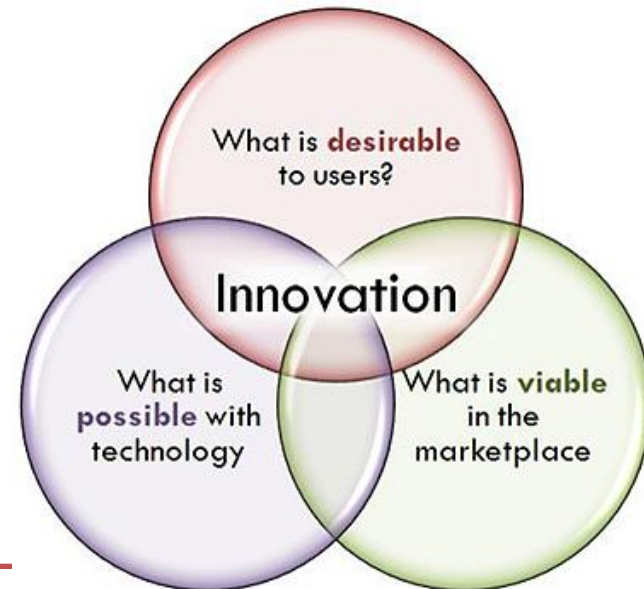
**Innovation**: People behind, original ideas, putting the outside the box concept together and trying it out

**Disruption**: Change came with resistance, regulation follows innovation

**Transformation**: New ways of transacting, paying bills, receiving money, integrating with the financial sector

# THE INNOVATION

- Financial sector prior to uptake of MM
- The role played by various individuals and organizations (DFID, Vodafone, FSD, Safaricom, GSMA, Faulu Kenya, CBA, CBK)
- The idea, pilot, consideration to roll out
- The conducive environment



# THE HUMAN NETWORK

- Establishing and growing the agent network
  - Scalable
  - Exponential growth
- Running the agency business
  - Registration processes
  - Cash-in-cash-out
  - Revenue model and economics
- The agent incentives
- Liquidity
- Most important execution component?

## Commandments

- Scalability
- Exec Commitment
- Customer relations
- Simplicity
- Availability

# BANKS DISRUPTED

- Tension between banks and telcos
  - Banks' Perspectives
  - Safaricom's Perspective
  - Central Bank's Decision (Banking Act)
  - The other telcos

Being innovative?

Un-even play field?



- The new “financial sector”
  - M-Kesho, Zap, Pesa Pap, KCB-Connect, M-Karo, Automatic Agents, M-Bima, Yu-Cash, Orange Money, Iko-Pesa, M-Kopa....



# IMPACT AT THE BASE OF THE PYRAMID

- Cash is King and yet the enemy
- Financial services at slums
- Informal sector – Jua Kali
- Money movement – Urban/Rural and vice versa
- Local economies
- Last mile



# INCHING TOWARD “FINANCIAL INCLUSION”

- Redefining Financial Inclusion
- Understanding the poor and their money
- Creating new financial products for the unbanked
- Micro-Savings, mobile layaway, pension, micro-insurance
- Vision 2030 and financial inclusion



# INNOVATION BREEDS INNOVATION

- Multiple small companies mushrooming
  - MM as a channel: Musoni, Bridge International, KickStart, Grundfos Lifelink, Kilimo Salama...
  - Commerce Players: Cellulant, Craft Silicon...
  - New companies: Symbiotic, Tangazoletu, Webtribe, Zege Technologies, Mobile Commerce Ventures, MTL Systems, Coretec Systems and Solutions, Verviant Consulting, Flexus Technologies, Intrepid, Kopo Kopo...
  - New Products: iPay, PesaPal, Moco, Spotcash, Jambopay, M-Payer, crowdpesa...
- Platforms created to support – m:Lab/IHub/NaiLab/iLab...
- Global player: Google, MasterCard, Facebook, Visa, Nokia...
- More Research: CGAP/GSMA/Bill and Melinda Gates/Grameen Foundation/ with multiple locals: FSD, UoN...

# CHANGE IS NOT EASY

- Interoperability between MM services
- The evolving CBK
- Even playing ground
- Regulating telco agents, bank agents and cash merchants
- KYC requirements
- Regulating for the future



# KENYA ON STAGE

- MM capital of the world
- Why Africa? Why Kenya?
- Similar innovations? Philippines, Tanzania, South Africa, Afghanistan, India, Thailand...
- **101 ITERATIONS AND COUNTING**
  - MTN, Orange, Bharti Airtel
  - Ghana, Madagascar, Malawi, Niger, Sierra Leone, Zambia...
  - Madagascar, Mali, Niger, and Senegal...
  - Haiti, Guatemala, Cambodia, Indonesia, Fiji, Georgia, Jordan, Vietnam, Tonga, Mongolia, Sri Lanka, Bangladesh...
- Promising cases: Tanzania, Uganda, Pakistan

# CASH IS THE ENEMY!

- We all like cash, but it's the enemy, more so for BoP
- The e-money loop
- How do we squeeze out cash?



# TAKE HOMES

- Developers are inclined to segment the market, threatening to kill each other!
- Base of Pyramid is not well served yet!
- Move on... using MM to solve needs in other sectors e.g. savings, education, agriculture etc

# CONCLUSION

We set out to answer a number of research questions.

We seemingly raised more

...

**We are in the process of answering a new set of questions through research initiatives as well as informing design of new products**



Questions  
are  
guaranteed in  
life;  
Answers  
aren't.





# CONCLUSION

Africa Mobile Money Research Centre  
(AMMREC)

Multidisciplinary research on computing for societal  
development

University of Nairobi

[ammrec@uonbi.ac.ke](mailto:ammrec@uonbi.ac.ke)

# CONCLUSION

Got questions?

Buy the book and read 😊

Thank You

[tomwansa@uonbi.ac.ke](mailto:tomwansa@uonbi.ac.ke)