Project “Get New Money”
Multi-Level Marketing for Microfinance

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Next Lab : Public Presentation December 10th, 2008
Revolutionize Micro-Finance industry with Multiple-Level Marketing

- Goal: Rapid expansion of micro-finance outreach
- Team Deliverables:
  - Business model on how Multiple-Level Marketing would work with Micro-Finance
  - Mobile-based application to help facilitate and streamline the process
- Partner: Cobis, a financial software company, the original idea owner
- Pilot: Maquita, Ecuador
How it currently works...

MFI

Loan Officer

houses

MIT $10^9$
How MLM works...
MLM can significantly improve micro-finance institution profit

- Maquita (MFI partner) currently offers fixed-rate micro loans
- MLM can help improve market adoption rate and generate strong revenue/profit growth
  - If a micro-agent brings in a borrower a month, within 6 years, it will have 7.5x more borrowers than the case w/o MLM.
  - More borrowers means more revenue
  - More borrowers also reduces the overall risk of the loan portfolio
- Additional improvement suggestions:
  - Returning borrowers have much higher payback rate than new borrowers
  - Encourages new loans by offering lower interests to repeating borrowers, who are also less risky, thus, create an exponential growth
How mobile phone application works...

Mobile Phone Application
• Data collection
• Status reports

Local Database

Encrypted and compressed proprietary SMS Communication

SMS Communication Server

Database

Get New Money Server (Data Processing)

Hooks for
- Credit Scoring
- Integration with Cobis

Photos credit: msnbc.msn.com, peopledaily.com.cn
Video DEMO: Showing typical usage scenarios of the mobile application

- Creating new loan client
- Requesting new loan
- Checking loan status
- Checking for agent performance

Play DEMO
Beyond NextLab I ....

- Deliver a comprehensive business plan to Cobis and Bank of America partners
- Deliver technical solution with integration instruction to Cobis
- Ideas for Next Lab II
  - Extend the technical solution to be more generic
  - Actual pilot of the concept and technology
Thank you!
Backup: <DEMO screen shots to be added>

- Microagent meets a new potential borrower
- Takes phone out, takes client’s data and sends it over to the server
- Adds a loan to the newly created client
- Someone on the server side approves
- Agent sees change in loan status
- Agent sees his expected commission go up