

Company profile L-IFT BV

Origins in action research

L-IFT stands for Low-Income Financial Transformation. L-IFT started off as a consultancy and research company dedicated to bringing about meaningful access to finance, livelihoods, energy and other services for low-income groups. In its initial phase the company focused on providing superior demand-side studies that supported development organisations, government institutions and private sectors to serve low-income groups more effectively. Target groups that L-IFT has done most research with are youth, refugees, micro-entrepreneurs, women, those in rural areas and active in agriculture and savings groups. L-IFT has concentrated on conducting diaries research which it uses for market research, human centered design and product development as well as for monitoring, evaluation and impact measurement. In addition, L-IFT specializes in qualitative research, particularly for programme design and product development.

Current developmental focus

Over the years, L-IFT learned that its approach to conducting research, the financial diaries and other diaries, are also benefiting the participants of the studies as well as the interview teams. The participants report that they learn from the process of the diaries, they get a better grip on their financial and economic situation and feel less worried and able to make better, informed decisions. Moreover, participants also experience that having their reported data can help them become credible in front of organisations. For instance, with their diaries data they can approach a lender and use their data as supporting evidence of their credit worthiness.

The teams of people who conduct the diaries interviews, the field-researchers, also report that this work is bringing them more than salary alone. They get a type of work-experience that is at the same time a training that helps them access other jobs. Conducting the diaries interviews, brings detailed knowledge of how people lead their (financial) lives, how they make decisions and what their experiences are with service providers. The experience of interviewers also teaches the field-researchers to communicate well, in a way that low-income people can understand and most of all, the work with L-IFT teaches how to listen to people and help them tell their story. The work with L-IFT also brings them technology skills, understanding of data and basic data analysis. In addition, the field-researchers gain soft skills such as working in a team, reporting to supervisors, problem solving, punctuality, meeting deadlines and taking responsibility. The combination of soft and hard skills, experience and training enables L-IFT field-researchers to enter dignified jobs such as credit officer, mobile money agent, solar sales agents, and any other customer facing position. Moreover, a number of ex-field researchers have successfully set up a micro-business or even their own NGO.

In short, L-IFT now serves simultaneously three client groups:

- Organisations who require data and insights
- Young entrants on the labour market who need training and work-experience
- Low-income people and businesses who need data empowerment

FINBIT

To serve the various client groups, L-IFT started developing its specialized diaries technology named FINBIT. FINBIT consists of three components:

Android app - which enables individuals as well as interviewers to report all financial, economic and other day-to-day data as well as answer to content surveys. The app shows the users their data as well as some useful analysis such as profit margins for different income sources, what is spent on different types of costs and hourly net income.

Console - which enables organisations or research managers to monitor how the reporting and implementation of a project is progressing as well as assign surveys, remind users about pending surveys (or reminding about financial data reports) and to send nudges, advice or information.

Portal - which displays real-time all data reported on FINBIT. It can present data for the entire diaries project, or segmented meaning showing differences across gender, age, location or other segmentations. The portal can also display data for individuals but fully anonymized as it cannot be traced back to the individual. Through the portal an organisation can continuously access the progress of the project and see how the data patterns start to emerge as data reporting time progresses.

L-IFT's services

Some examples of L-IFT services are:

1. Self-Diaries Self-employed or micro-enterprises conduct their book-keeping on FINBIT as well as keep an enterprise or diary tracking events, plans and decisions.

The self-diaries can be combined with a support mechanism such as sending advice, information, digital training resources or simply sending encouraging words.

This type of project can later be combined with a loan platform which will enable the participants to access credit. (See below, example 5)

2. Small Firm Diaries Small firms with 2 to 20 employees participate in a FINBIT reporting project, either self-reported or through interviewers. The project uses SFD methodology, developed by New York University including a comprehensive set of surveys collecting 360° information about the small firms.

This project can inform different organisations in a country about the real situation of their small firms and what helps and prevents them to grow. It provides information about the way small firms offer employment and the challenges experienced in this. The project equips the participating firms with comprehensive data about themselves which enables them to show lenders evidence of their credit worthiness. Moreover, the firm also develops a business plan during the course of the diaries project which further supports them to access financial services.

3. Youth diarists and coaches In this service L-IFT trains young people (mostly from rural areas) to keep their own FINBIT diaries and learn how to coach or interview others to keep their diaries. The coaching or interviewing is an entry level job or work-experience placement for the young people.

Particularly rural young people face challenges getting employment or earning sufficient income generating activities. Through this training and work-experience they acquire the skills and



Low-Income Financial Transformation

background to become successful credit officers, mobile money agents, bank agents, solar sales agents or any other customer facing job.

These large groups of young people once trained can particularly support microfinance institutions who want to offer FINBIT to their clients but do not have sufficient staff to coach their clients in the use.

4. Microfinance institutions offering FINBIT to clients When their clients report on FINBIT and the MFI can see the (anonymized) data, the microfinance institutions can learn and understand how the clients use loans and savings. Microfinance institutions will also be able to monitor its clients, use loans in their loan repayment and identify which loans are at risk of default. Moreover, microfinance institutions can use these insights to improve their current financial products and design new and more appropriate products that serve specific segments of their clients.

The clients also benefit from FINBIT data and due to the data get more appropriate follow-on loans, that match their cash-flow and loan servicing ability.

5. Loan platform (under construction). The loan platform will work as a market place between those needing a loan and those giving loans. On the demand side there are thousands of people and businesses who have FINBIT data and need a loan and then sign up for the loan platform. When needing a loan FINBIT users fill out one loan application indicating what loan conditions they seek (for instance on size, duration, repayment schedule, maximum interest rate, latest disbursement date, etc.). The loan applicants decide which part of their FINBIT data they share with loan providers and at what stage of loan application. On the supply side there are one or several financial service providers and/or crowdfunding platforms or others who can offer loans. The potential loan providers indicate on the loan platform their basic loan criteria such as minimum and maximum loan amount, bracket of loan duration, locations of demographic features of clients. Based on the loan applications and available FINBIT data the loan platform assesses which lender(s) can be a potential match for which loan applicant. The supply side parties only receive those loan applications that meet their basic criteria. They then only need to go through the last steps of loan appraisal without wasting time on ineligible applicants.

Legal structure, human resources and location

L-IFT BV was established in January 2015 as a Dutch Limited Liability Company (BV) with a social mission. L-IFT has a simple structure of a Managing Director (based in The Netherlands), three C-level staff based in Africa and Asia. In addition L-IFT has more than 20 full-time permanent staff members including its in-house IT team. L-IFT has a presence in Ethiopia, Kenya, Nigeria, Uganda, Zimbabwe, Cambodia and Myanmar and active field-teams in seven other countries. L-IFT is capable of successfully setting up operations in new countries in a couple of months. Its international team will fly in to support the new staff members to build L-IFT's services and FINBIT for the local situation.

L-IFT employs field teams according to the projects and assignments it implements. These consist of between 70 and 110 field-staff at any one time. We have around 400 alumni with whom we keep in touch. We notice their careers overall have developed well after their work with L-IFT and many inform us that their experience with us has been critical for accessing meaningful and gainful work afterwards.

Organization's mission



Low-Income Financial Transformation

L-IFT, Low-Income Financial Transformation, focuses on lifting people out of poverty through innovative, appropriate interventions that are given shape by the people who benefit from these interventions. L-IFT is strongly evidence focused and commonly accepted truths are not accepted by L-IFT but are verified before they are acted upon.

The mission statement is: L-IFT uses a unique technology-led diaries research methodology to bring data empowerment to low-income communities which facilitates evidence-based policy design and service delivery.

L-IFT's goal is "to facilitate original and appropriate solutions to the fundamental challenges in low-income people's lives by leveraging low-income people's knowledge, innovation and problem-solving capacities, enhancing and bringing about interchange of these".

Organization's history

L-IFT was founded in 2014 and incorporated in January 2015. It benefits from its founder's and senior team members' 25+ years of experience in the livelihoods of low-income people, particularly women such as micro-entrepreneurs, refugees and IDPs, and small-holder farmers.

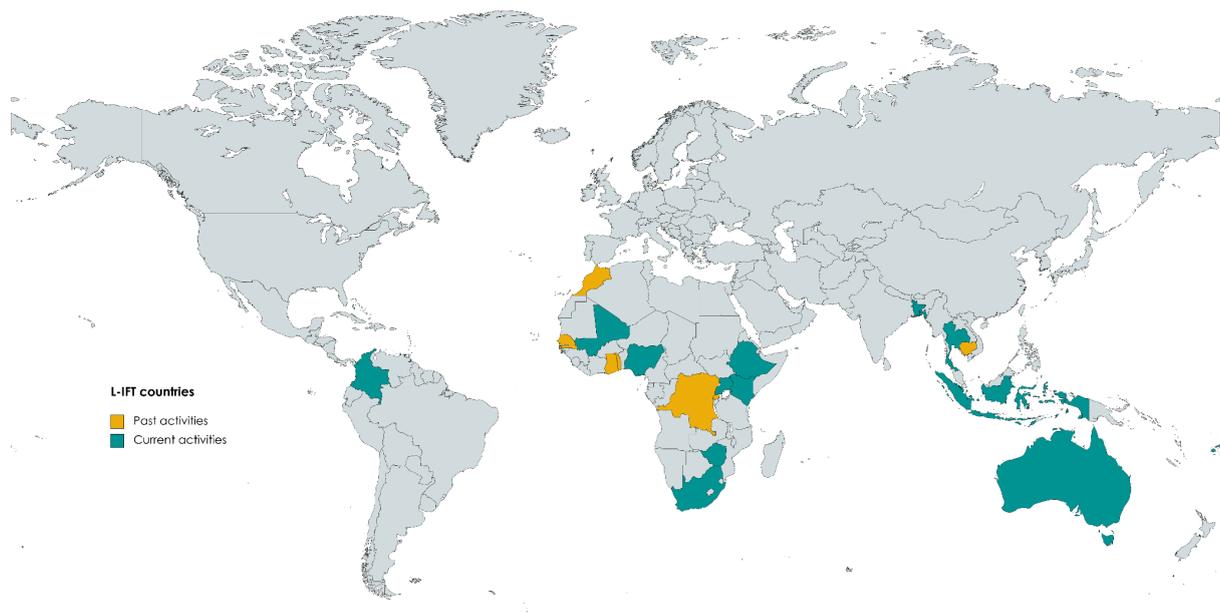
Scope of work, end-user clients and outreach

L-IFT has been set up as a for-profit social business. The company aims to specialize in a limited number of innovative approaches that improve financial inclusion, entrepreneurship, refugees' livelihoods, women and youth entrepreneurship, agriculture, access to clean energy and basic income. Hence the end-user groups are mostly women including young people, micro-entrepreneurs or small firms, small holder farmers, and refugee or IDPs.

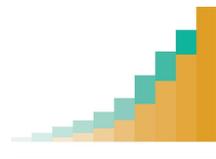
L-IFT has worked with more than 15,000 diaries participants across 19 different countries. Currently it has more than 6000 people active on FINBIT. More than 70% of the users are women.

Countries with activities

L-IFT is currently working in 13 countries and has a past presence in another six countries.



Current and past clients



L-IFT

Low-Income Financial Transformation

A range of organisations has funded and paid for L-IFT services. These include (in sequence of starting collaborating with L-IFT):

Mastercard Foundation		World Savings and Banking Institute		WSBI
UNCDF		New York University		NYU
FSD Uganda		Bill and Melinda Gates Foundation		BILL & MELINDA GATES foundation
Worldbank		Australia National University		Australian National University
IMBE		Enterprise Partners		ENTERPRISE PARTNERS moving markets work for all
Cordaid		Africa Foundation		AFRICA FOUNDATION
ZOA		Argidius Foundation		argidius
GiZ		UNSCAP		UNSCAP MOVING FORWARD TOGETHER
IFC		Mastercard Center for Inclusive Growth		Center for Inclusive Growth