



GOOD PRACTICES - CASE IDENTIFICATION /1ST LEVEL ANALYSIS

KIZ SINNOVA Gesellschaft für soziale Innovationen gGmbH

1. Good Practice title: MIS “inthepro”

1. Technological innovation: fully flexed MIS (*inthepro*), which is able to support all activities in micro finance from first contact until repayment of the loan. The MIS *inthepro* was developed with the needs of MFIs in mind. The goal is to establish streamlined and efficient processes in microfinance. Loan officers can easily contact customers via email, phone and text messages, management has access to risk management, reporting and can easily verify the performance of individual loan officers and portfolios. All information, any contact to customers, complaint, crisis intervention etc. is stored in a journal.

2. Territory of implementation/application (country/region/...)]

The MIS *inthepro* has been developed by KIZ in close cooperation with DMI to serve all accredited MFIs in Germany.

3. Timeframe:

year of introduction: .

year of termination:

(leave 0000 if ongoing)

4. Brief description of the promoting organization:

DMI is the umbrella organisation of German MFIs. It's main task is to assure quality of the whole microfinance system and support MFIs with dedicated services, such as training, quality management, risk management, software, reporting etc. KIZ supports entrepreneurs setting up their own businesses with a focus on inclusive entrepreneurship. From the very beginning it was clear that in order establish a sustainable and scalable microfinance system in Germany technology is essential for efficient processes.

5. Main objective of the initiative:



MFIs should have a MIS that suits their needs and ensures lean processes in order to be cost effective. Since the German regulation only allows banks to disburse loans it was clear from that banks would not have the income to develop a MIS, which fits the needs of MIS. Also, software used in banks is heavily protected and cannot be used outside banks. Hence, MFIs had no suitable and affordable tool to conduct microfinance operations efficiently. Developing software in accordance to banking regulation at bank level is at least four times as expensive as developing in-house.

6. Brief explanation of the initiative:

The MIS *inthepra* was developed step by step according to the needs of MFIs. DMI through its involvement in European projects such as the COPIE project established good practice and developed a suitable methodology for the German market. DMI used its own resources to develop a MIS to ensure more efficient processes. Germany MFIs who needed additional functionality paid for programming and implementation. New functionality was made available to all MFIs. This created an atmosphere of cooperation among German MFIs and all MFIs could benefit from new developments with only small investments.

7. Target group and measures to involve the target group:

MFIs needed a MIS, which gave access to all loan related data to have efficient risk assessment of loans in place and to enable MFI management to evaluate potential risks and allow for immediate intervention. German MFIs were bound by contract to monitor their borrowers closely and intervene in case of late repayments immediately. In order to fulfil all tasks according to contract efficiently a MIS was needed, which also allowed for individual adjustments and functionality. During DMI's accreditation process future MFI staff and management were trained to use the MIS efficiently.

8. Innovativeness:

Probably the most innovative element of the MIS is that all levels of interaction with borrowers from first contact until full repayment are accessible, stored and managed in one system. Also management tasks ranging from risk and portfolio management to portfolio yield were available. This allowed for efficient microcredit provision and ensured quality service from all MFIs. The development of loans for specific target groups and the effectiveness of support for borrowers could be ensured and experience shared more easily. Being independent from software developed at bank level, which could not implement vital functionality for MFIs allowed for growth and a highly scalable delivery model.

9. Outcomes:

The project is implemented through the Interreg Europe programme co-financed by ERDF.



European Union
European Regional
Development Fund

ATM for SMEs

Interreg Europe

The MIS *inthe*pro proved its effectiveness and efficiency. More than 15.000 loans were managed with the MIS *inthe*pro by over 45 MFIs across Germany. The MIS allowed for lean and effective processes, which reduced costs at MFI level significantly. Each loan officers was able to handle 200 – 250 active borrowers where before the MIS was available a loan officer could only handle 40-80 borrowers.