

Agent expansion and management

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How can you expand your business presence while building trust? Institutions with customer ties in rural areas often experience the challenge that customers struggle to access their remittances due to a lack of agents in their area. This requires customers to travel to other areas where agents are located, which can be inconvenient and costly, making them less willing to use the RSP's services. RSPs can expand their agent network in these areas by employing effective risk assessment to decide which agents to onboard, and to continually manage them.

What the intervention entails

This intervention entails re-assessing the risks related to an RSP's remittance agent network and amending the risk-mitigation processes and onboarding policies and processes accordingly. The intervention therefore allows RSPs to manage agent onboarding risks based on more a more comprehensive understanding of risks, e.g. by relying on data instead of perceptions.

Benefits for the implementing institution

This innovation can assist you to:



Reduce fraud and enhance risk management for agents by developing a robust agent risk assessment and implementing proportionate risk controls such as onboarding only those that are within your institution's risk appetite.



Expand the agent network by reducing unnecessary requirements that inhibit agent onboarding.



Identify new opportunities by outlining additional ways agents can support the institution's business expansion (e.g., value-added services).



Onboard more customers as newly onboarded agent could serve additional customers.

Suggested steps for implementing this intervention

- **Step 1: Understand the current onboarding process and collect data.** Begin by thoroughly understanding your organisation's existing agent onboarding process, including KYC (know your customer) and CDD (customer due diligence) requirements. Collect data on onboarding timelines and issues, using qualitative interviews with agents and staff, and feedback from recent complaints to assess the status quo before the intervention is implemented.
- **Step 2: Map your requirements to those required by regulation.** Compare your organisation's agent onboarding documentation requirements with those mandated by regulations to identify any discrepancies where your standards might be stricter than necessary. This comparison will help in

adjusting the onboarding process to be both compliant and efficient, and in spotting innovation opportunities where regulations are vague.

- **Step 3: Conduct a risk assessment on your agent business.** Perform a risk assessment to identify risks associated with your agent network. This falls under the channel risk assessment since agents are a channel for delivering the organisation's services. Thereafter, add the risks posed by agents, your mitigation strategies and the weighting associated with each risk.
- **Step 4: Consider alternative requirements and amend your onboarding process.** Based on the risk assessment outcomes, revise documentation and due diligence requirements. Consider implementing alternatives for standard documentation where possible, such as using proxy identifiers and updating your onboarding policy accordingly to be more risk focused.
- **Step 5: Onboard pilot agents.** Implement the revised onboarding process on a pilot group of agents (e.g. for 3 months), selecting regions strategically to test the changes effectively. Monitor this pilot closely through data collection on customer transactions and feedback, adjusting the process based on the results and feedback received.
- **Step 6: Roll out the intervention.** After refining the process post-pilot, expand the new agent onboarding framework across your broader network. During this step, you may need to invest in more staff who will be able to take prospective agents through the onboarding process and requirements and continue marketing the new locations where agents will be present to your target market.
- **Step 7: Market agent expansion to your customer base.** Promote expanding your agent network to existing and potential customers to enhance service accessibility and convenience. Effective marketing strategies will ensure customers are aware of closer service locations, thereby improving transaction volumes, customer convenience and satisfaction.

Considerations before implementing

This intervention was developed and implemented as part of the IFAD and Cenfri Remittance Access Initiative (RAI). Based on this experience, the table below indicates the key resources required before starting implementation if implementing it for the first time.

- **Time:** roughly 6 months to 8 months from design to implementation.
- **Capacity:** regulatory, cultural and risk experts who understand your local context and who would be able to provide guidance on how process changes should take place.
- **Key dependencies:** the ability for the organisation to make process changes and the organisational drive needed to recruit more agents.
- **Regulatory considerations:** consider the regulatory assessment for your country, specifically drawing on AML-CFT laws and relevant circulars. Key things to consider includes documentation requirements for agents, how to manage risks when working with agents, etc

Reflections from other implementing organisations

Organisations who have implemented the agent expansion intervention, advise that this intervention is an ongoing process: you can do initial due diligence on agents, but you should also do checks and balances over time. Indicators to look for include the flow, the throughput, the quality of documents, and the identifiers coming in via the agents. Lastly, it is important to set aside enough time to do qualitative research with agents in rural areas as their insights are crucial to determine whether the intervention was successful.

This intervention forms part of a broader remittance innovation toolkit which can be accessed [here](#).