

## case study > A Leading Pan-African Financial Services Company

### Verilend: A Microlending solution from Qualica in action in Africa

#### *Synopsis:*

Qualica's enterprise microlending solution, developed specifically for Africa's challenging operating conditions, is enabling a leading pan-African financial services company to operate efficiently and profitably in even the remotest parts of the continent. Major benefits include cost savings due to low operational costs, high levels of flexibility and the ability for the customer to focus on core business rather than IT. This solution can be deployed in a centralised or distributed manner.

#### *Customer Profile:*

Our customer provides affordable credit to traditionally unbankable clients in Africa. Established in 2002, the holding company operates from Mauritius and has microlending operations in Ghana, Uganda, Tanzania and Zambia.

The company provides credit to employed individuals and employee groups by way of cash loans and collects these via payroll deductions. It caters for the financial needs of all employees in an organisation, regardless of salary level, which relieves employers from getting involved in staff loans, cash advances and management of debtors.

The company aims to expand its operations to several other African countries to form an efficient pan-African credit-provision network and to be the preferred supplier of accessible, unsecured credit throughout the continent.

#### *Challenge:*

The biggest challenge for large microlenders working across Africa is the widely variable IT environment. They need to run cost-effective operations but cannot rely on stable, robust connectivity and systems, nor is there always reliable power supply. In addition, geographic distances between branches is often large and road infrastructure is often poor resulting in high costs to support branch networks.

To best use their capital, microlenders must lend it to clients – not invest in IT infrastructure.

Our customer needed an IT solution that would provide the robustness, flexibility and cost efficiency it needed to operate in African conditions; one that could operate in multiple differing locations (150 sites at the time of writing) across multiple countries.

#### *Solution:*

Qualica, working together with the client, implemented a distributed microlending solution, Verilend, which was specifically developed for tough environments. The financial software overcomes the challenges of poor or erratic connectivity, intermittent electricity supply and lack of local support.

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It is designed to provide high levels of customer service. Backed by integrated support and service management, the system is used by medium to large microlenders who typically provide services in geographically diverse locations.

Verilend reduces lender risk by integrating with employer payroll systems, ensuring that loan repayments are deducted before salaries are paid to employees.

Key to the Verilend solution is the distributed model that ensures that head office servers can be synchronised with outlying branch servers to ensure all offices share up-to-date loan information.

### *Results:*

Major benefits for our customer include low-cost branch operation and the flexibility necessary to operate in African conditions. In addition, Qualica provides a turnkey solution - including everything from software to hardware provision and installation - as well as full remote support from South Africa. This means that IT staff in country and branch infrastructure is minimised.

The Verilend solution is optimised for Africa. It thus runs effectively in locations with poor connectivity (low or intermittent, unreliable bandwidth), as well as those with poor power. Verilend enables this leading pan-African microlender to operate efficiently despite hugely varying conditions.

“To run a branch infrastructure, one needs significant investment in each branch in terms of staff, connectivity and power,” says David Rogers, managing director of Qualica. “Verilend does away with the need for this major investment - we enable our customer to operate effectively in both the connected and disconnected world.”

The solution is flexible enough to overcome Africa’s challenges and can run in a centralised or decentralised model. It also offers a number of synchronisation methods. Our customer uses a mixture of secure connections over the Internet, periodic delivery of synchronisation data on a memory stick, as well as secure transmission via email at Internet cafés – depending on the environment. In addition, the company makes use of mobile branches that service wide areas that would not justify fixed branches.

“Because we offer multiple mechanisms of synchronisation, our technology enables our customer to operate fully in offline mode, which means that non-connectivity is no longer a risk,” says Rogers.

The group manages its entire business using one solution across multiple territories. Thus the same framework that supports a small mine in a remote region also supports the head office in the capital city, which has generator capacity and microfibres. And the same data is represented across the organisation, enabling a scalable solution that can cater for millions of loans.

The solution generates files for employers in any format they require. Organisations then import this dedicated file into their systems, and produce receipting files as well as a lump payment for the microlender.

The low cost associated with the solution is another major benefit.

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“Verilend enables us to service our customers throughout Africa in the most cost-effective manner by using the ‘horses for courses’ approach offered by Qualica,” says a spokesperson for the microlender. “The ‘plug and play’ nature of the solution also means we have no need to hire expensive IT resources as we need only very basic IT skills.”

Cost-efficiency is also achieved via minimal hardware requirements.

“We use Open Source Linux-based technology which does not demand the huge hardware specifications needed by other operating systems,” says Rogers. “Our customer can therefore cost-effectively grow the business and best utilise capital by giving loans and generating revenue, rather than investing in IT infrastructure.”

Another advantage is the support and maintenance service offered by Qualica. Remote support ensures quick resolution of any issues, while processes and standby strategies are in place should first-level support be inadequate.

“Qualica really understands what we need, and has invested heavily over the years in the solution,” says a spokesperson for the microlender. “Over the six years we’ve been a customer they have always ensured we are well-serviced.”

The turnkey nature of the solution means that the customer deals with only one supplier, alleviating the headaches of dealing with several different companies. Qualica provides all hardware and software, training, installation, connectivity and support.