

Digitalization and appropriate levels of service

Our clients are careful about managing their household finances: only 8% self-report that their expenses were materially higher than their income in the previous year; around 70% of clients declare that they have not fallen behind during the same period with their payments of utilities such as water, electricity, etc. Nevertheless, only 50% acknowledge that they draw up an annual budget.⁶ As such the main difficulty lies in managing contingencies, especially in the medium term. In surroundings that are precarious, timely and convenient access to financial products is necessary. To manage their financial planning appropriately, every client has different needs: they want to monitor their finances frequently, almost daily, to set specific goals, and to have instant liquidity. In other words, they need a responsive, simple service that adapts to their changing needs as their household progresses.

On the other hand, the entrepreneurs we serve tend to live in peri-urban areas, away from town centers, or else in remote rural zones. Having to put a hold on their activities and the time required to travel to traditional branch offices to carry out financial transactions has a high opportunity cost. This, and the small size of their transactions, means that our client service model has to be high-touch and convenient, as well as entailing lower costs.



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6. Financial health survey conducted in 2018 with 1,157 clients in Colombia and Dominican Republic, together with Innovation for Poverty Action. More details in our [2018 SPR](#).



Digitalization & connectivity



70 correspondents

provide connectivity in remote areas of Colombia & Peru

613,813 clients

clients use digital channels

7.64% digital monetary transactions

When we set out 15 years ago, our services were paper-based, face-to-face, and provided in branch offices. Now our processes are digital, attention can be face-to-face or self-service and available in their homes or workplaces (thus avoiding unnecessary travel).

We have brought greater sophistication to our distribution channels and modes of service, incorporating a range of channels, processes and digital tools that improve the client experience, reduce their access cost, and encourage them to take decisions leading to their welfare.

We have worked on four key areas:

- 1. Digital processes:** Digitalizing processes (digital credit), automating reporting flow (document filing) and continuous improvement of the Advisor app give us the tools to serve clients anywhere.
- 2. A homogeneous banking core** across countries: A robust, standardized banking system in all countries that enables us to connect different channels swiftly, as well as to adapt the offering, replicating it easily which thus allows us to copy successful cases without impediment. This gives us flexibility, and enormous synergies.
- 3. Broadening and diversifying channels:** the ability to access financial services anywhere easily brings our business closer to clients, reaching remote areas as well.
- 4. Self-service using the client app:** Self-service is a key tool for accessing financial products or services at no cost and at any time.

In order to develop more efficient and responsive processes, in a context where personal relationships are key, we have been immersed in digital transformation for years. We

want our services to be more straightforward, quicker, flexible, and less costly for the client. An example of how this transformation has materialized is the high capillarity of institutions in their respective national territories and the speed in the delivery of state subsidies to vulnerable groups during the pandemic. For more information, see [‘Service that is high-touch, responsive, straightforward and flexible’](#).

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