

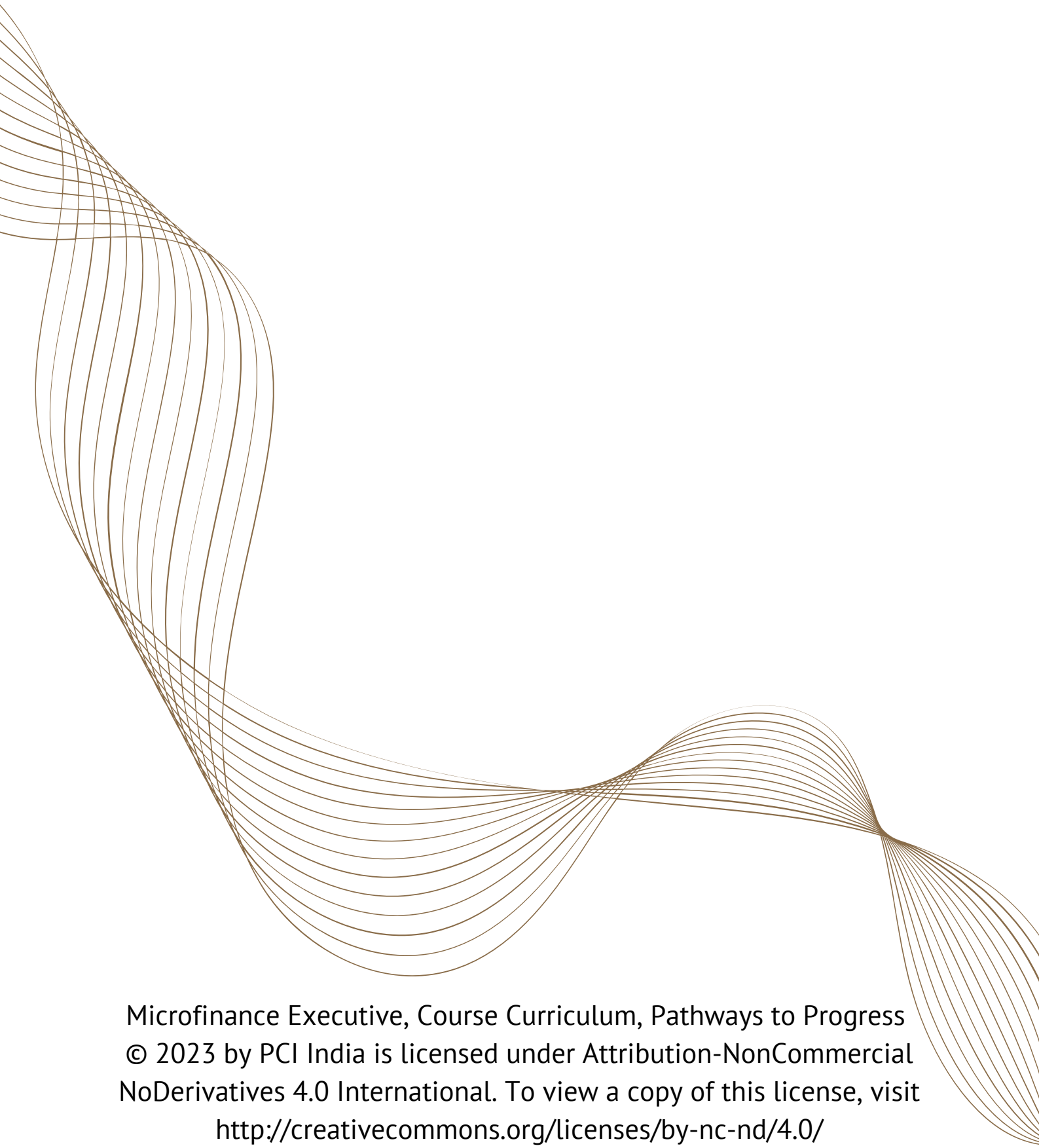


# **MICROFINANCE EXECUTIVE**

**SECTOR: BANKING , FINANCIAL SERVICES & INSURANCE**

**QP CODE: BSC/Q24O1**

**COURSE CURRICULUM:  
PATHWAYS TO PROGRESS**



Microfinance Executive, Course Curriculum, Pathways to Progress  
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## **MICROFINANCE EXECUTIVE**

**This book presents the introduction to Micro finance sector with MSME loan process.**

**It also explains about the Perform Activities to Source New Customers and Cross-sell the Products.**

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## CHAPTER 1

# INTRODUCTION TO THE BANKING SECTOR AND JOB ROLE OF 'MICROFINANCE EXECUTIVE'

### LEARNING OBJECTIVES

- Discuss the objectives and benefits of the Skill India Mission
- Describe the Banking, Financial Service, and Insurance industry and its sub-sectors
- Discuss the workflow and departmental hierarchy in Microfinance organizations.
- Elaborate the job role and job opportunities as a Microfinance Executive in the BFSI Industry

### THE SKILL INDIA MISSION

- Video: <https://www.youtube.com/watch?v=vNTwiRbyqFs>
- Introduction to Hunar



Skill India Mission is a government scheme launched in 2015. It is an umbrella scheme that has many skilling schemes and programmes under it. The chief objective is to empower the youth of the country with adequate skill sets that will enable their employment in relevant sectors and also improve productivity. It aims to develop those sectors which have been put under skill development for the last many years, and also to recognize new sectors for skill development.

Assam's Chief Minister Sarbananda Sonowal laid the foundations for the first East India Skills University in the Darrang district, which aims to educate more than 10,000 students in 12 disciplines. The chief objective of the Skill India Mission is to provide market-relevant skills training to more than 40 crore young people in the country by the year 2023.

Other objectives are:

1. Closing the gap between skill required by the industry and skills people possess for employment generation.
2. Reducing poverty in the country.
3. Increasing the competitiveness of Indian businesses.
4. Ensuring that skill training imparted is relevant and of quality.
5. Preparing Indians to take on the world manpower/resources market.
6. Diversifying the existing skill development programmes to meet today's challenges.

7. Building actual competencies rather than giving people mere qualifications.
8. Offering opportunities for lifelong learning for developing skills.
9. Augmenting better and active engagement of social partners and building a strong public- private partnership in skill development.
10. Mobilising adequate investments for financing skills development sustainable.

The BFSI Industry – an Overview - <https://www.youtube.com/watch?v=UwpBRm-LG44>

## **BASICS OF MICROFINANCE**

### **DEFINITION**

Microfinance is a category of financial services targeting individuals and small businesses who lack access to conventional banking and related services. Microfinance includes microcredit, the provision of small loans to poor clients; savings and checking accounts; micro insurance; and payment systems, among other services. Microfinance services are designed to reach excluded customers, usually poorer population segments, possibly socially marginalized, or geographically more isolated, and to help them become self-sufficient.

The term “micro-finance” has been defined as: “provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve living standards”.

There are two main ways to give this financial help:

- One-on-one with individuals and small businesses.
- With groups of entrepreneurs who ask for help together.

Over time, microfinance has become a bigger movement that aims to make sure everyone, especially the poor and marginalized, can get affordable and good-quality financial services, not just loans.

Some people who support microfinance say it can help poor people escape poverty. But some critics say it can also make people owe too much money.

Recent research says we need to understand microfinance better to help low-income people more. It's about finding ways to give them financial help that lasts and brings social benefits.

### **GLOBAL IDEA OF MICROFINANCE**

#### **Video:**

What is microfinance:

<https://www.youtube.com/watch?v=wQqrofC8lCg> (0:15 to 12.03)

<https://www.youtube.com/watch?v=SbV4nHguUJo> (0:09 to 8.05)

In the past, microfinance institutions lent money at low interest rates, but they struggled to sustain this approach. These loans weren't often repaid, causing their funds to run out, leaving no money to support microfinance in the long term.

To address this, commercial microfinance started in Bolivia in 1992. A nonprofit microfinance institution called PRODEM grew quickly but faced limitations due to a lack of donations. They created BancoSol to meet growing demand and became the first to pay dividends. Nonprofit microfinance works well but relies on donations and has lending limits. As interest in microfinance for poverty alleviation grew, the focus shifted to building a sustainable industry providing fair-priced financial services. Large banks like Credit Suisse and Citigroup joined in, with around \$15 billion invested by 2008.

Today, over 10,000 microfinance institutions serve 16 million people, classified as commercial, quasi-commercial, or nonprofit. The future of microfinance is vital, as millions still lack access to financial services, and it remains essential for promoting entrepreneurship and improving lives globally.

In developing economies, many activities need microfinancing.

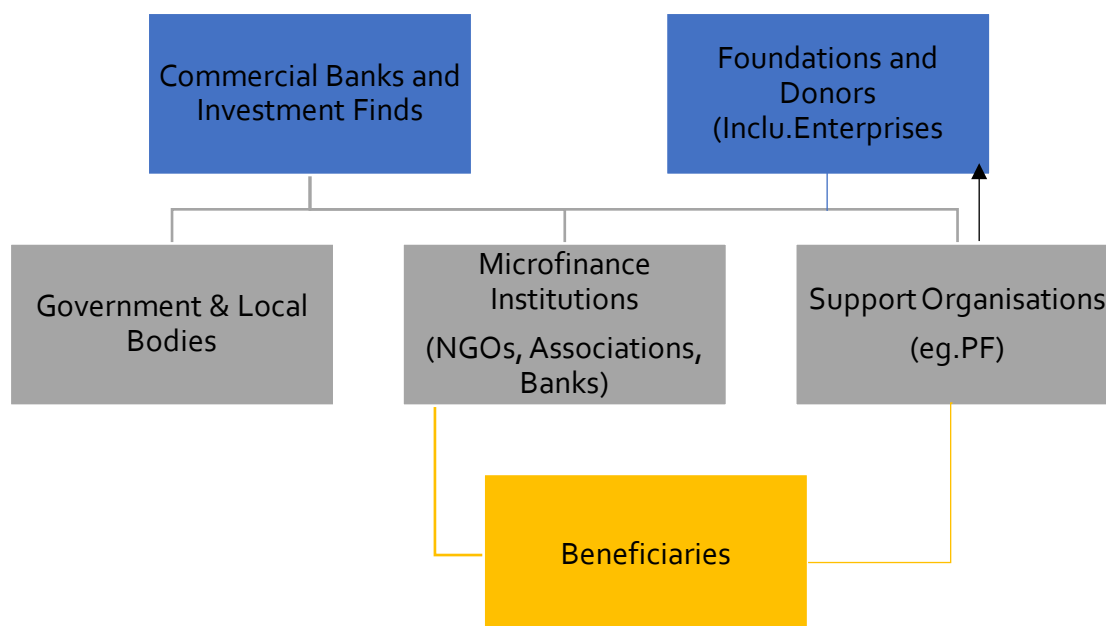
Some of these are:

- **Lifecycle Needs:** such as weddings, funerals, childbirth, education, home building, holidays, festivals, widowhood, and old age.
- **Personal Emergencies:** such as sickness, injury, unemployment, theft, harassment, or death
- **Disasters:** such as wildfires, floods, cyclones, and man-made events like war or bulldozing of dwellings
- **Investment Opportunities:** expanding a business, buying land or equipment, improving housing, securing a job, etc.

While much progress has been made in developing a viable, commercial microfinance sector in the last few decades, several issues remain that need to be addressed before the industry will be able to satisfy massive worldwide demand. The obstacles or challenges include:

- Inappropriate donor subsidies
- Poor regulation and supervision of deposit-taking microfinance institutions (MFIs)
- Few MFIs that meet the needs for savings, remittances, or insurance
- Limited management capacity in MFIs
- Institutional inefficiencies
- Need for more dissemination and adoption of rural, agricultural microfinance methodologies.
- Members' lack of collateral to secure a loan.

The two main mechanisms for the delivery of financial services to entrepreneurs and small businesses are: (1) **relationship-based banking for individual entrepreneurs and small businesses**; and (2) **group-based models, where several entrepreneurs come together to apply for loans and other services as a group**.



## MICROFINANCE SECTOR IN INDIA

### Potential for growth of microfinance in India

Despite the presence of multiple players in the microfinance landscape and mature models of microlending, with a significant portion of its population in the low-income band, India represents a huge opportunity for the microfinance sector.

Though government schemes and established financial institutions have enhanced access to microcredit for nearly 67% of the Indian population living in rural areas,<sup>16</sup> the significant geographic concentration of MFIs within a few districts of the country (34% of the districts with microfinance presence contribute 80% of the portfolio<sup>17</sup>) indicates the potential for achieving higher microfinance penetration. 71% of the financial institutions believe that Eastern India offers the maximum potential for growth in future due to relative saturation in the southern markets.

Additionally, a significant portion of the Indian population still lacks access to credit from the formal sector and consequently borrows from informal channels like moneylenders or relatives, indicating the scope of micro lending in achieving financial inclusion and overall industry growth. However, to realise this growth opportunity, it is essential for the sector to



identify and assess the emerging needs within the sector and address the same through relevant initiatives for optimised growth.

The Indian microfinance sector has grown a lot in the past five years based on a few rules. Some rules were about money safety, but none focused on how loans were given, prices charged, or how things were run. Because of this lack of rules and rapid growth, customers got unhappy with microfinance services.

Because many people weren't repaying their loans, the institutions in Andhra Pradesh lost a lot of money. Banks all over India stopped lending money to microfinance institutions because they feared similar problems happening elsewhere. This left microfinance institutions without enough money since they mostly depend on bank loans.

So, everyone involved, started asking for new rules to fix these big issues in the sector.

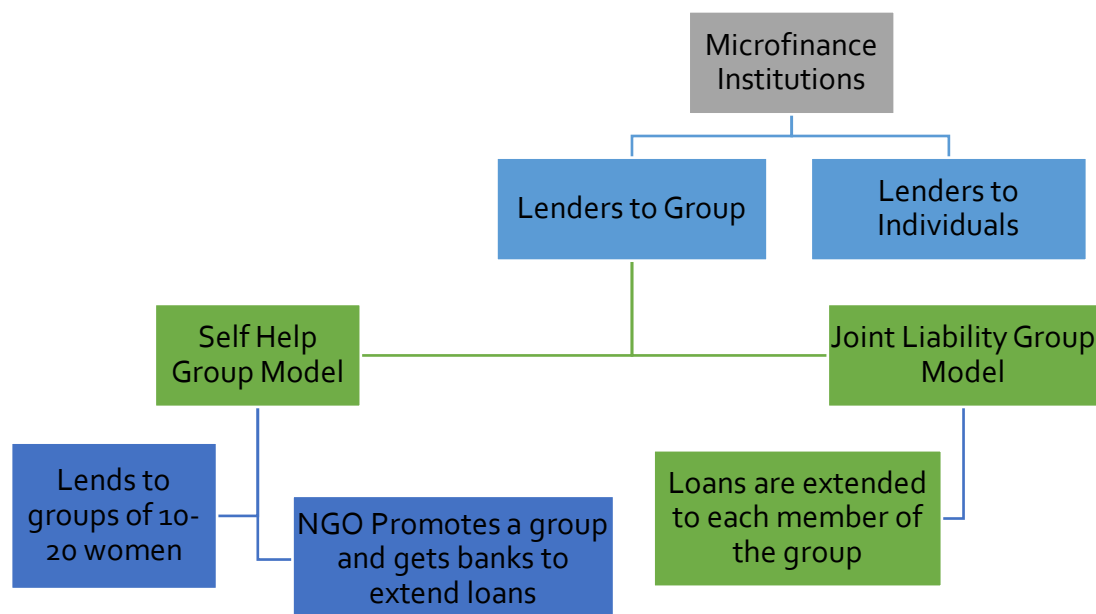
### **RBI GUIDELINES**

India has a lot of poor people, and while there are government programs to help them, microfinance is also a big part of financial inclusion and poverty reduction. Many people in India still don't have a bank account, and microfinance institutions help by providing services like loans, savings, insurance, and even training and support for starting businesses. They serve as a supplement to banks and are quite convenient for the poor.

Borrowers get services from microfinance institutions at their homes, with flexible repayment schedules. However, these services come with a cost, and the interest rates are higher than regular banks, ranging from 10% to 30%. Some say these rates are too high, while others argue they're fair when considering the cost of providing the service and the money needed to do it.



## LENDING MODEL



## Major and relatively recent developments in the microfinance sector

- **EXTERNAL COMMERCIAL BORROWINGS**

A significant recent development in microfinance is that the Reserve Bank of India (RBI) now allows certain Micro Finance Institutions (MFIs) to borrow up to USD 10 million each year from foreign sources for lending to self-help groups, micro-credit, and microfinance activities. The same limit applies to Non-Government Organizations (NGOs) involved in microfinance. They must follow other borrowing rules like maturity and cost restrictions.

- **SOCIAL VENTURE CAPITAL FUNDS**

Not only are the new private sector banks and the foreign banks competing to fund microfinance institutions (MFIs), but now MFIs may have access to equity social venture capital funds also.

- **PARTNERSHIP MODEL**

The partnership model in microfinance was developed by ICICI Bank in India to address certain challenges. It separates the risk of Micro Finance Institutions (MFIs) from the risk of the loans they give out. It also helps banks encourage MFIs and deal with MFIs not having enough money for risk.

This model includes three main parts:

- a) Loans are directly between the bank and borrowers.
- b) Incentives are set up to protect against losses.

c) The bank gives the MFI a line of credit.

This partnership model can be important for Indian banks to get more wholesale funds. It combines different types of financing, allowing MFIs to grow quickly and tapping into a lot of money available in commercial banks in India.

- **BUSINESS CORRESPONDENCE MODEL OF MICROFINANCE**

In India, the BC model is being tested as one of the most important way to include and integrate the unbanked into mainstream financial services. A BC is an entity that serves as a teller for the bank for which it chooses to act as the intermediary to carry out a range of transactions on behalf of the bank. In return the BC entity is paid fixed commission for the services provided on the disbursements made and collections done on behalf of the bank. Thus, a BC relationship promotes accessible and branchless banking for the banks thereby actually making financial inclusion a reality for the country's poorest citizens.

Any MFI can act as a channel for a bank provided it is not a Non-Banking Finance Company (NBFC). The MFIs can and have started acting as an effective channel for the banks as its field staff has a long standing and trusting relationship with the customers. This all leads to an enabling environment that allows the microfinance customers to feel comfortable in opening savings bank account and depositing money with banks.

The financial viability of the model remains a matter of concern as various BCs are struggling to break even. The BC model will continue to remain a costly and people intensive model as the basic concept and methodology of microfinance itself is high-cost model. To create a financially sustainable business model in the long haul, it requires high investment in technology and capacity building and ensuring high levels of efficiency in the field.

BC can become an effective tool for Financial Inclusion. Typically, the MFIs have the staff; infrastructure, technology and the last mile reach to the clients' which banks are mandated to cover in their financial inclusion activities. What the MFIs have been struggling with in the last couple of years is access to regular funding for their microfinance business. The banks, on the other hand, have the funds but not the last mile connectivity and infrastructure to reach these clients. Consequently, both the banks and the MFIs stand to gain from a collaborative effort that can provide the banking services (both savings and credit) to these clients.

## **THE MICROFINANCE ENHANCEMENT FACILITY (MEF)**

The Microfinance Enhancement Facility was initiated in 2009 by KfW (German state-owned development bank) and IFC (International Finance Corporation) as a joint initiative with

OeEB (the Development Bank of Austria). MEF seeks to support economic development and prosperity globally through the provision of short and medium-term financing to financial institutions which support microfinance and micro-enterprises (MFIs).

## **BOARD OF DIRECTORS**

The Board has prime responsibility for all aspects of the administration and management of the business of the Fund. MEF's Board of Directors assembles a team of experienced professionals with financial markets and microfinance industry experience, as well as direct experience in key markets around the globe.

Specific responsibilities of the Board of Directors include:

- Administering and managing the Fund
- All investments activities of the Fund
- Ensuring that donor funding is honoured, and that cash and other investments are managed wisely, and
- Ensuring the Fund's compliance with laws and regulations
- The Board is currently composed of six members elected by the shareholders.

## **INVESTMENT COMMITTEE**

The investment committee's purpose is to assist the Board in its oversight of all the following:

- Coordinate and oversee the Fund's investment portfolio.
- the pipeline of investments
- the portfolio transactions and disinvestments and
- the financial structure and performance of the portfolio and investments

The Investment Committee will furthermore make decisions on investments in MFIs, as well as in other areas from time to time indicated by the Board. The Board of Directors has appointed an investment committee, of which each member has an alternate who will replace the investment committee member in case of absence.

## **INVESTMENT ADVISORS**

For efficient management, the Fund has opted to have its microfinance assets managed by specific Investment Advisors under the supervision of the Investment Committee. Investment Advisors make investments on behalf of the Fund based on approvals from the Investment Committee or the Board as the case may be. For more information, please refer to section Investment process.

## GENERAL SECRETARY

The Fund has appointed Innpect S.A. (“Innpect”) as General Secretary to provide certain coordination services for the management of the Fund as well as certain other tasks.

Innpect is particularly charged with the general coordination of the relationship between the Investment Advisors and the Investment Committee, ensuring a timely process for the assessment by the Investment Committee of the investment proposals prepared by the various Investment Advisors. Innpect also ensures that the Fund’s policies and procedures are kept up-to-date and are adhered to by the Investment Advisors.

## CUSTODIAN BANK AND ADMINISTRATIVE AGENT

The Custodian Bank is responsible for the safekeeping of the assets of the Fund. The Administrative Agent shall perform all administrative duties that arise in connection with the administration of the Fund, including the entering into Loan Agreements, the issue and redemption of Shares and Notes, calculation of the Shares’ Net Asset Value, accounting and maintenance of the register of Shareholders, of Noteholders and of Lenders.

## JOB ROLE OF A MICROFINANCE EXECUTIVE

Microfinance Operation Associate typically involves working in the field of microfinance, which focuses on providing financial services and support to individuals and small businesses who lack access to traditional banking services.

The role of a Microfinance Operation Associate would involve various responsibilities related to the operations and management of microfinance programs which are:

- Client relationship management
- Loan processing - Loan Application Processing, Loan Disbursement and Repayment
- Financial analysis and reporting
- Compliance and Risk Management
- Data Management.

## Roles and responsibilities of employees with respect to Customer Grievance Redressal Mechanism (CGRM):

- Review or audit of CGRM: Periodic review or audit of the functioning of the CGRM
- Periodic report on the CGRM along with the review or audit report(s) should be presented before the Board.

Customer-facing personnel like loan officers play a critical role in acquiring new customers, selling products, and providing training to borrowers. While preparation and product knowledge play important roles in this stage, you still need to continue to put your customer first.

These executives also ensure data Integrity, that is, ensure that records are not corrupted during the entire period they are in existence.

## PRODUCTS OF MICROFINANCE

Microfinance institutions have largely limited their product and service offering as the sector's primary focus has been on becoming financially sustainable. Despite following a single-product model, the sector has experienced remarkable growth.

- **MICRO-SAVINGS:** Savings serve as a financial safety net for households, helping them handle various expected and unexpected expenses like family events, home repairs, and emergencies. They provide protection against risks related to health, theft, job loss, and unexpected disasters like natural calamities. Additionally, savings empower individuals to seize unforeseen investment opportunities, contributing to their financial well-being.
- **INSURANCE:** Insurance, when combined with microcredit, plays a crucial role in protecting households from financial crises caused by emergencies. Even with access to microloans, a single unexpected event can lead to poverty, especially if it affects the primary income earners. Many Microfinance Institutions (MFIs) already provide microinsurance products, primarily covering health and accidental death. The strategy of bundling loans and insurance together is beneficial because clients often underestimate the importance of insurance until they face a crisis. From a business perspective, this approach essentially safeguards the MFI's loans against a client's household crisis, ensuring eventual loan repayment, even if delayed.
- **MICRO-INSURANCE:** Informal insurance schemes in India are commonly managed by small groups like cooperatives, churches, and NGOs. They pool members' contributions for specific purposes, such as covering funeral expenses. Unlike some countries with specific laws, Indian organizations adhere to the 1938 Indian Insurance Act.
  - Two main models exist:
    - In the community-based model, individuals create their insurance scheme, pooling funds and setting rules.
    - In the in-house model, MFIs or NGOs run insurance schemes, absorbing profit, or loss.

The Rural Social Sectors' Obligations' enactment had a significant impact on Indian micro-insurance. This required insurers to partner with MFIs and NGOs as agents, leading to the predominant partner-agent model. Many MFIs shifted from a full-service to a partner-agent model.

- **NON-FINANCIAL PRODUCTS:** Within product offerings, MFIs are considering expanding their activities beyond the realm of financial services since this can provide synergies linked to future expansion. Microfinance clients have myriads of unmet needs such as healthcare and education as well as livelihood requirements which can enhance their income, employment potential or quality of life. The microfinance industry is now experimenting with a wide variety of potential models that could be used to deliver non-financial services. Several MFIs are examining the feasibility of providing critical basic services to deliver low-cost healthcare, education, and vocational training. Since MFIs' asset growth rates may be more moderate over the medium term, they will need to make strategic choices based on their capabilities and the competitive environment.
- **JOINT LIABILITY GROUP PRODUCT:** The joint liability scheme is used in microfinance to provide loans to clients who lack traditional collateral like physical assets. Instead of assets, social cohesion within a group of clients acts as collateral. Clients form groups, and each member shares joint liability, making them eligible for loans. In this group credit model, joint liability serves as collateral, which differs from the individual liability model in developed societies where individuals can access larger loans independently.

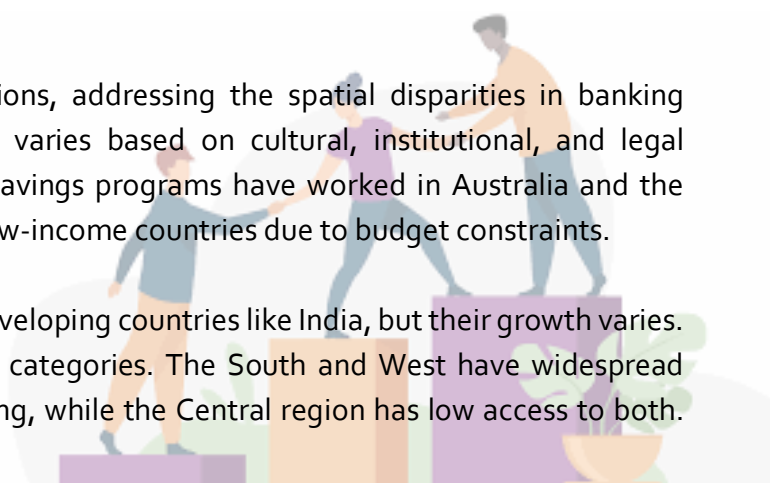
In developing nations, many NGOs and government organizations rely on the joint liability model to serve low-income populations. The local information available in joint liability arrangements reduces monitoring costs for lending organizations.

## OPPORTUNITIES IN THE MFI SECTOR

In India, public sector banks have an extensive network, but access to banking services is uneven across the country. Some regions lack sufficient banking services, creating barriers to financial inclusion, making MFIs valuable. Banks often don't offer tailored services for low-income groups but partner with NGOs through programs like NABARD's self-help group bank linkage initiative. This enables low-income communities in areas with bank branches to access financial services.

MFIs bridge gaps in underserved regions, addressing the spatial disparities in banking services. Achieving financial inclusion varies based on cultural, institutional, and legal factors. For example, while matched savings programs have worked in Australia and the USA, they may not be viable in many low-income countries due to budget constraints.

MFIs are key for financial inclusion in developing countries like India, but their growth varies. A regional analysis found four distinct categories. The South and West have widespread access to both microfinance and banking, while the Central region has low access to both.



The East and Northeast have good microfinance but limited banking services, and the North has ample banking but limited microfinance.

To address the gaps, targeted national incentives can promote microfinance in underserved areas. The interviews with field workers suggest that there are individuals who want to access microfinance but are not able to do so due to various reasons. These include requirements such as attendance at weekly group meetings, documentation such as address proof, and a lack of a market-oriented economic activity.

Microfinance doesn't guarantee continued access to financial services; drop-outs are common. Portable microfinance accounts are needed to address issues caused by migration and marriage, reducing resource costs. While MFIs remove barriers to financial inclusion, uneven penetration calls for policy incentives to reach underserved areas.

#### **Job responsibilities – A discussion**

- <https://www.hrishiblogbuddhi.com/skill-india-sector/bfsi-sector-skill-council-of-india/banking/microfinance-executive-career-in-india/>
- <https://www.youtube.com/watch?v=-dAcU47i-wo>



## CHAPTER 2

### PERFORM ACTIVITIES TO SOURCE NEW CUSTOMERS AND CROSS-SELL THE PRODUCTS

#### LEARNING OBJECTIVES:

- Discuss common pricing and discount policies in microfinance.
- Discuss about various microfinance regulations, standard code of conduct, and self-regulatory associations such as Microfinance Institutions Network (MFIN) and Sa-Dhan (The Association of Community Development Finance Institutions)
- Discuss the types, features, and risks associated with the products and services offered to the customers in the microfinance industry.
- State the significance and procedure of identifying the customer by economic or livelihood activities of the associated markets and the factors impacting the credit-worthiness of the customers.
- Elaborate the marketing techniques to be used to host group meetings.
- State the significance of arranging the marketing brochures, pamphlets, etc. before any meeting.

#### INTRODUCTION:

Videos:

- <https://www.youtube.com/watch?v=z6Lz-IMF2Ag>
- <https://www.youtube.com/watch?v=txUCczWGyXo>

#### Examples of products and Services – a Discussion.

- <https://microfinanceinfo.com/microfinance-products/>

#### COMMON PRICING AND DISCOUNT POLICIES IN MICROFINANCE

Over the past few decades' microfinance has advanced financial access for the world's poor. In recent years, however, in the wake of the stunningly large IPOs of microfinance giants Compart Amos and SKS and concurrent large-scale defaults in places like India and Nicaragua, popular discontent has emerged. A curtain has been drawn away to reveal just how little consumer protection the microfinance industry has had, calling into question the effectiveness of microfinance in alleviating poverty. Politicians and policy makers have decried excessively high interest rates charged by certain microfinance institutions, in response, many countries have established interest rate caps. These efforts may be misguided as well as undermine microfinance's original mission to financially empower the poor.

A central problem is that the interest rate presented to its customers often differs radically from the actual percentage rate (APR) an MFI charges, once the calculation method, timing, upfront fees, and compulsory savings are accounted for.

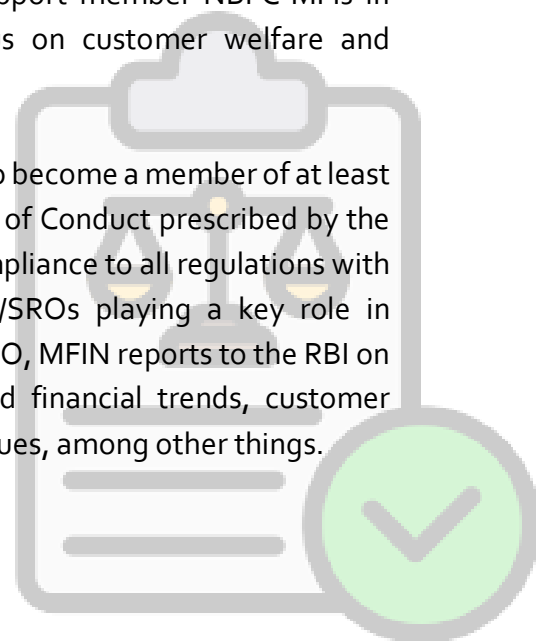
This misinformation prevents borrowers from making informed decisions, donors from identifying offenders, and the market from working efficiently. The difference is especially large for MFIs providing the smallest loans to the poorest and most rural clients, as they have the highest operating expenses and thus must charge the highest interest rates to remain viable. These MFIs are likely to mask their APR to avoid undue criticism. Government intervention that caps interest rates, rather than offering truth-in-lending regulations can encourage the MFIs to provide larger loans in denser areas, contributing to their retreat from their mission to serve the poor.

## MICROFINANCE REGULATIONS

New Delhi, 16 September 2019: Microfinance Institutions Network (MFIN) and Sa-Dhan, the RBI recognized self-regulatory organisations and industry associations for the microfinance industry, along with FIDC, have jointly released 'Code for Responsible Lending' (CRL) for the micro-credit industry. The launch was done today at Sa-Dhan's 15th Annual National Conference in New Delhi. The CRL, which aims to lay down uniform principles for customer-conduct in micro-credit, is sector specific and entity agnostic. In addition to the CRL, a revised industry Code of Conduct (CoC) was also released for Microfinance Institutions (MFIs) that will act as a binding and compulsory set of principles w.r.t. lending practices.

Under the SRO function, MFIN's primary objective is to support member NBFC-MFIs in adhering to regulatory and industry standards, with focus on customer welfare and protection.

Master Directions of RBI for the NBFC-MFIs encourage them to become a member of at least one SRO recognized by the RBI and to comply with the Code of Conduct prescribed by the SRO. The Direction while entrusting the responsibility for compliance to all regulations with the NBFC-MFIs themselves, also see industry associations/SROs playing a key role in ensuring compliance with the regulatory framework. As an SRO, MFIN reports to the RBI on a quarterly basis on the industry including operational and financial trends, customer complaints, non-compliances, actions taken and emerging issues, among other things.



## GOVERNANCE

Overall SRO function within MFIN is governed by two committees, Enforcement Committee and Self-Regulatory Organization Committee (SROC). The committees guide, oversee and support the SRO team to effectively carry out the SRO function.

The Enforcement Committee (EC) primarily handles issues of non-compliances and grievances arising from customers requiring redressal. The Self-Regulatory Organization Committee (SROC) provides oversight and direction to all the SRO functions and acts as the appellate body for EC decisions.

In line with standards of governance, both these committees are constituted with majority independent members and chaired by an independent member. However, both committees also have representation from the industry to bring a practical perspective. These committee work under an Enforcement Framework outlined by the Board and the Board gets regular updates on relevant information about their work and decisions.

## WHAT IS A SALES PROCESS?

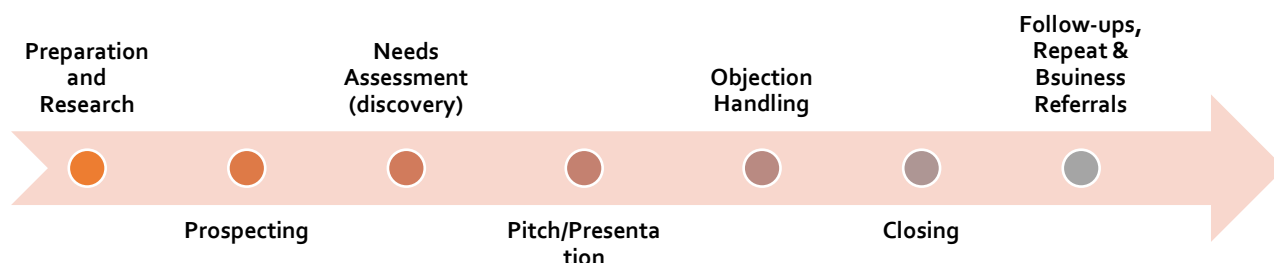
A sales process is a template for achieving sales objectives and replicating a desired level of performance by sales reps. It lays out a repeatable series of steps a salesperson takes to turn an early stage lead into a new customer.

Each step in a sales process may consist of several separate selling activities. An effective sales process is:

- Customer-centric. Buyers are more empowered, better informed and have wider options than in the past. Smart businesses align their sales processes with this new reality.
- Clearly defined. To be effective, each stage and element in your sales process must be well understood by all stakeholders.
- Replicable. Every rep should be able to replicate all the steps in the sales process without confusion.
- Predictable. The flow and expected outcomes in your sales process should follow a predictable pattern.
- Goal-oriented. A sales process focuses on improving your ability to meet specific objectives (e.g., drive revenue growth, achieve process efficiencies, etc).
- Measurable. All the activities in your sales process should be quantifiable, so you can measure success and improve.
- Adaptable. A sales process must be flexible enough to accommodate changing business climates, tech integrations, or changes in your sales operations.

Good sales process also aligns with your ideal buyer's purchasing journey, instead of focusing on what the seller needs.

## THE 7 SALES PROCESS STEPS YOU NEED TO REINFORCE



Sometimes, these stages differ, though. Different industries and even similar businesses may use five or nine steps instead. But to keep it simple, you can start with this seven-stage sales process:

### 1. Preparation & Research

Salespeople need to know about their product, target customers, industry, and the unique value their brand provides. Good preparation is the foundation on which the rest of the sales process is built.

Research your competitors. What can you offer that is different?

Spend some time in your customer's shoes too. What are the core problems your buyer personas usually experience? And what are the benefits of your product that can address those problems? Scan through your company's knowledge base to learn how your colleagues solve pain points, handle objections, close deals, and generate repeat business. If you don't have a knowledge base, talk to the top performers, and ask to shadow their sales calls.

### 2. Prospecting

Finding customers is one thing. Engaging the right ones is another. You can find potential customers from many sources including your CRM database, social media, industry events, and online search. Your sales and marketing teams should agree on an ideal customer profile and screen potential clients based on this benchmark. This enables your team to allocate limited resources to high-value, qualified leads.

To ensure a healthy sales pipeline, reps should constantly be making phone calls, sending emails, and reaching out on social media.

### 3. **Needs Assessment**

Now you've got the attention of a potential customer. Great! But you still need to do some discovery to determine if they need what you're selling. If they do, you need to decide if your company is the best fit for them.

### 4. **Pitch/Presentation**

This is where you articulate the unique value your customers will experience if they purchase your product or service.

You can do this by connecting their needs and wants to the corresponding features and benefits your product provides.

While preparation and product knowledge play important roles in this stage, you still need to continue to put your customer first. It is a common mistake to focus too much on what you're selling, and not enough on your buyer.

You can act as a trusted advisor during this step by referring back to what you learned during Needs Assessment, and listening closely to your prospect.

### 5. **Objection Handling**

Rejection and objections are common in sales. Any salesperson who lacks grit and the ability to roll with the punches will soon be out of the game.

To manage objections effectively, practice empathy and regularly process the situation from the customer's point of view.

### 6. **Closing**

This is usually where you finalize the sale, and all your work is reflected in your company's top-line revenue. This step commonly involves sending a proposal or a quote covering the tailored solution you are offering. You may also need to negotiate the contract or get signatures from multiple key decision-makers in your prospect's organization.

Attempts at closing aren't always successful, though. In that case, you can execute a follow-up plan, request a referral, or schedule the lead for future re-engagement.

### 7. **Follow-ups, Repeat Business & Referrals**

The sales funnel does not end after the first sale. Paying customers are great candidates to be prospects for your other services. By maintaining excellent customer relationships, you can up-sell and generate repeat business more easily.

Nurture customers by keeping them updated about new services, and regularly asking for feedback on how you can serve them better.

Don't be afraid to ask for referrals either. You've earned them at this point!

There may be other sales process steps one may follow, but one must include these seven. They're critical to one's success. With consumer behaviour and market realities shifting at lightning speed, the need to adapt becomes imperative. Sales professionals can no longer depend on outmoded approaches. There is no other choice but to embrace customer-centric thinking and new technologies. The sales process is not exempt. One must follow the right steps to achieve the desired outcome.

Without a reliable template to follow, along with knowledge of cycle stages, the sales team will underperform. The only route to success is to re-imagine one's sales process with the right knowledge, tools, and strategies.

## **HOW TO GENERATE MORTGAGE LEADS?**

- 1. Content is key to generating mortgage leads:** Your website becomes a quality lead generator when you establish yourself as an authority in the mortgage business. Your first goal is to drive traffic to your site. Your second is to build trust with first-time visitors. Your third is to make offers that inspire visitors to provide their contact information. Great content is key to all three of these.

Written content is the first and most obvious frontier to tackle — and you'll likely do so with a blog. Publish the answers to commonly asked questions about the mortgage industry, trends, and the local market.

Many of your prospects, however, are likely to gravitate toward content that's faster and easier to consume, so consider putting some effort into creating:

- Video
- Images
- Infographics
- Checklists
- Customer profiles
- Newsletters



2. **The riches are in the niches:** Even if it's a cliché headline, it rings true in highly competitive industries. Do you have a specialty? If so, showcase it. If you don't, consider investing time and effort into developing one. Perhaps:
  - a. You have expertise in a specific loan program.
  - b. You focus on a specific type of real estate or borrower.
  - c. You have credible stories you can talk about niches in your business.
  - d. You are more informative, educational, or even entertaining than your competitors.
3. **Get social:** Your content is your ticket to making meaningful contributions to online conversations, a.k.a. social media. Share your content regularly and creatively. Consider the following:
  - a. Publish short videos on YouTube and share them on other networks.
  - b. Offer advice via Facebook and Twitter with links to your content.
  - c. Build a community of followers on Facebook.
  - d. Post photos of clients at closings.
  - e. If you specialize in commercial lending, build a community of followers on LinkedIn.
  - f. Create groups on Facebook and/or LinkedIn.
  - g. Forge relationships for potential new partnerships on LinkedIn.
  - h. If you create visual content, share it on Instagram and Pinterest.
4. **Work potential local listings:** List your business on relevant local directories and ensure that your profiles are accurate and up to date. Establish a free Google My Business account. This should:
  - a. Help your business appear in local search results.
  - b. Show your business listing in Google Maps
  - c. Enable you to collect reviews that build credibility.
5. **Take reviews seriously:** Positive reviews help win the battle for attention in search results and credibility on review-centric services such as Yelp. Think about your own buying habits, you probably look to reviews to help you decide everything from what to watch, wear, drive, listen to and read, to where to dine, travel, and shop, and of course, which service professionals deserve your business. After a successful closing, ask your satisfied customers to write a review. Make it easy by sending them the link they'll need. Also, say thanks in one way or another — with a notice, gift, or incentive.
6. **Advertise:** Advertise your lending services online with programs such as:
  - a. Pay-per-click (PPC) on search engines.

- b. Social media advertising/sponsored posts
- c. Native advertising on discovery platforms

Check out how AIG used discovery to generate interest in their mortgage insurance offering.

- Online banners on relevant websites
- Retargeting ads
- Web classifieds
- Zillow advertising

Advertise offline with the following:

- d. Local print magazines
- e. Newspapers
- f. Outdoor



7. **Get published:** Write an article and contribute it to local real estate magazines. And you could also pursue this powerful lead generation approach via online publications — local, and beyond.
8. **Send mailers:** Create flyers and mailers to promote your strongest loan products, and potentially lending rates.

As you are probably aware, developing partnerships with real estate agents and builders in your area is likely the most reliable way to get mortgage leads. Here are some tips for working with realtors:

- a. Identify realtors with many listings in local real estate magazines and by searching local realtor websites.
- b. Visit real estate offices to introduce yourself and make an initial contact. Ask how you can help meet their needs and grow their business. Follow-up too.
- c. Visit open houses to build a relationship with realtors. Ask permission to leave business cards and brochures there.

However powerful alliances with real estate agents are, the majority of realtors and builders are likely to already have preferred partners they trust in lending. So, it's important to diversify your referral sources, these may include:

- Life insurance agents and financial planners
- CPAs
- Estate Planners
- Divorce attorneys
- Local banks or credit unions (that don't offer mortgage services)



9. **Network:** In addition to creating affiliations with realtors and other types of professionals in your area, it is also fruitful to network in the community.
  - a. Join local organizations, such as a PTA, charity, or cause. Volunteer and serve on committees.
  - b. Tap your personal network. Make a list of the people you know and reach out to them with a letter that explains your services.
  - c. Attend trade shows and/or setup a booth at shows and events.
10. **Purchase leads:** You can reach qualified candidates when they're actively shopping for a loan by purchasing new home mortgage and refinancing leads. Jay Conners, an experienced business development officer at Global Data Mining, offers these tips for buying mortgage leads:
  - a. Consider your budget – If you're on a tight budget, narrow your search to the lead companies that accept a lower minimum.
  - b. Get answers – Find out where the company gets their leads and watch out for those that recycle or resell them. Non-exclusive leads tend to sell three to five times. Be prepared to pay a higher price for exclusive leads.
  - c. Preview the leads – Reputable providers may allow you to view leads before you make a purchase. Some offer filters that allow you to qualify the kind of leads you want.
  - d. Look for a return policy – Your best bet is to work with a list provider with a liberal return policy. Learn more about what you're getting into by looking for reviews of the service.
  - e. Consider customer service – Be mindful of the way the company handles itself on the phone.
11. **Tap into MLS listings:** 88% of buyers search for and view property listings online, according to RatePlug, providers of a leading mortgage marketing platform. Leverage Multiple Listing Service (MLS) real estate databases for mortgage lead generation to uncover potential leads and contact the sellers with information about your lending services.

Here are additional ways to lead generation for professional services:

- a. B2B lead generation
- b. Small business lead generation
- c. Financial advisors lead generation
- d. Insurance lead generation

## 6 MAJOR SAVINGS OPTIONS

- Bank Led Savings Options
- Gold Loans (Reverse Savings)
- Money Market Mutual Funds (MMMF)
- Micro-Pension Schemes
- Unit Linked Insurance Plans (ULIPs)
- Term Insurance Plans with Maturity Benefits.

### Categorisation of Savings Options

**Regulatory requirements** mandate that NBFCs have to depend largely on vending of third-party products so as to provide savings options to their clients. The other option is to provide quasi savings products like gold acquisition loans, which could be delivered by the NBFC itself as its own proprietary product. In both these cases, the opportunity for the organisation to mobilise funds would be non-existent and the financial incentive to the organisation would be in terms of revenue from fee income or interest spread.

#### 1. Bank Led Savings Options

Business Correspondent (BC) model has been used by commercial banks to provide savings as well as term deposits to end clients where branch infrastructure is limited or absent. RBI has been encouraging the model which depends on third party agents to provide the service. There have been many initiatives involving e/m banking solutions within the BC model so as to enable efficient delivery of customer solutions. The model typically focussed on providing no-frills accounts; but lately some banks have also started delivering normal savings accounts, recurring deposits and term deposits also using the BC channel.

#### 2. Proprietary Options

The most prominent proprietary savings option seen in India has been the Gold Acquisition Loan which is a quasi-savings instrument working on the principle of reverse savings. Some prominent MFIs as well as NBFCs primarily working in South India have been offering gold acquisition loans to their clients to enable a build-up of savings balances in the form of gold.

#### 3. Mutual Fund Products

Money market mutual funds are in general considered to be relatively stable highly liquid instruments since they focus on investing in debt (largely government debt of short duration like T Bills) and since they have historically shown very little day to day fluctuation in their Net Asset Values (NAV). Some organisations have adapted money market instruments to provide a savings bank account proxy for their clients.

#### 4. Pension Products

Pension products which provide a regular income post-retirement have been in the vogue for a long time in India. But most of the pension schemes have been directed

at the organised sector and generally directed at middle – higher income groups. Recently, there have been several voluntary pension products oriented at the bottom of the pyramid customers and delivered through channel partners including MFIs. Government of India's New Pension Scheme (NPS) which also has a voluntary nature as well as a provision for periodical withdrawals is an interesting option which can combine the attributes of a voluntary savings product into a pension product. The government is also considering the introduction of an option for unorganised workers under the NPS.

## 5. Insurance Product

Insurance products combining the features of life insurance as well as term savings are another option available to MFIs for exploration. ULIPs are one option available for further exploration. Another route to take would be to offer endowment policies in partnership with life insurance companies.

**Comparison of Savings Options in the 8 P Framework:** The features of product offerings of different savings options can be analysed using the 8 Ps framework to make an objective comparison of the advantages and disadvantages of each.

The selected savings options examined using the "8Ps" framework are:

- Product
- Price
- Promotion
- Place
- Positioning
- Physical Evidence
- Process
- People

The summary findings from the comparative analysis are described below:

1. **Product:** The product concepts largely were dependent on selling of third-party products ranging from no frill's savings accounts, money market mutual funds, insurance schemes and pension funds. Only proprietary product observed was the gold acquisition loans, which work as a sort of reverse savings avenue. Of these different product concepts, most have variants tailored to the requirements of the low-income market as with micro pension schemes, variable SIPs for ULIPs as well as money market mutual funds etc.

2. **Price**: All of the savings' options provided returns to the client directly or indirectly. It could be guaranteed as in the case of no-frills accounts and term life insurance plans or market linked as in the case of MMMF, ULIPs and pension schemes, or even linked to commodity prices as in the case of gold loans. All the schemes examined also had provisions for/charged the end customer for providing the service. This varied from charging a direct interest rate on the loan. For gold loans, to different registration and transaction charges levied in the case of insurance and pension schemes. Both MMMF and BC model had a provision for charging the end customer, but in practice this was not being followed.
3. **Promotion**: Most organisations at the ground level depended on partnerships with the providers of these financial services for service delivery since most of them were not proprietary. These tie-ups with reputed organisations were highlighted often for the purpose of promotion. The product communication has been observed to be largely locally based, involving displays, house to house promotions, leveraging of JLGs, SHGs etc. The financial service providers as opposed to locally present agent organisations depended on the media for promotion.
4. **Place**: All the service providers used a locally present touch point (normally branches of the agent organisation or third-party agents) for communication, sourcing and client end transaction processing. Most of the back-office functions were done in the offices of the primary financial service provider. There are also some pilots with e/m-banking options, primarily with the business correspondent (BC) model.
5. **Positioning**: Almost all the savings options studied, except for the BC model and gold loan, were primarily directed at a more affluent client group. Lately there has been a greater focus on low-income clients and many of the products directed at more affluent clients are now being tweaked or modified to suit lower income clientele. Among the options studied, business correspondent model and MMMF were typically designed to address short term savings needs, while the other options were oriented towards longer term needs.
6. **Physical Evidence**: Evidence for the genuineness of the field level service provider (largely MFIs, NGOs, and even independent third-party agents) was provided largely by way of displays citing the financial service providers in the service point location. Evidence of transaction was provided largely by transaction receipts. In most cases other tangible evidence like gold coins, policy certificates etc. too played a part.
7. **Process**: The processes at the client end including sourcing and client end transaction processing was performed by the field level agent organisation, while the back-end processes were largely performed by the primary financial service provider. In case of

gold loans, since the product is proprietary, all transaction processing was done by the ground level organisation.

8. **People:** In most BC models, there was an involvement of a sub-agent other than the field level organisation who would act as a touch point for the customer. In almost all other models, regulatory restrictions implied that sourcing and client level transaction processing need be done by properly qualified staff members. But these models generally ensured that customer touch points, staff or agent are present in client locations.

## **FEATURES OF MSME LOANS**

MSME loans are business loans offered to the MSMEs or Micro, Small and Medium enterprises or to the SMEs or Small and Medium Enterprises in the form of SME loans. These loans are offered for the advancement of business and other activities like purchase of machinery and raw material, to meet the working capital requirements, and to invest in fixed assets. Banks and financing institutions like NBFCs offer MSME Business loans. However, the interest rates and loan amount vary across the banks and NBFCs. These loans are usually offered to small business owners, women entrepreneurs, and startups. Eligible enterprises for this scheme are Sole Proprietorships, Partnership Firms, Manufacturing or service-based micro and small enterprises excluding Retail traders, educational institutions, training institutions, agriculture & Self-Help Groups.

MSME stands for Micro, Small and Medium Enterprises. MSMEs are classified into 2 categories; one is manufacturing enterprise engaged in manufacturing or production of goods and second is service enterprise engaged in providing services. These categories were earlier defined in term of investment in plant and machinery or equipment.

Financial institutions also offer these loans under government schemes like –

- Credit Guarantee Funds Trust for Micro and Small Enterprises (CGTMSE)
- Prime Minister's Employment Generation Programme (PMEGP)
- Micro Unit Development and Refinance Agency (MUDRA Loan)



Businesses must meet specific eligibility criteria mentioned under the schemes to enjoy the benefits extended by an MSME loan. Loans for MSMEs (Micro, Small and Medium Enterprises) come with variable tenor, making these advances conveniently affordable.

For Example, Bajaj Finserv offers MSME Loans of up to Rs.20 lakh to help enterprises meet their immediate funding requirements. It comes with minimum eligibility and documentation requirements to simplify the process of availing a loan. Available at affordable interest rates, the loan can be repaid in easy EMIs over the tenor. With Bajaj

Finserv, businesses can also opt to part-prepay or foreclose the loan account before the tenor ends at nominal charges. This borrower-friendly feature helps repay the loans affordably.

The MSME definition has been revised by the government. As per the new categorisation of MSMEs, the following changes are now made—

- An increase in investment limit for all three categories, i.e., micro, small and medium
- Introduction of turnover-based classification
- No distinction between companies in the manufacturing or service sector.
- Classification would be based on the above two criteria.

## CHAPTER 3

### PROCESS AND VERIFY CUSTOMERS' DOCUMENTS FOR MICROFINANCE LOAN

#### LEARNING OBJECTIVES:

- List the documents required for microfinance applications.
- Explain the concept of credit rating and factors affecting credit- worthiness of the customers.
- Explain the verification procedure of credit check report.
- List the verification criteria for KYC documents.
- State the importance of ensuring that customers' documents are rechecked at the NBFC/microfinance institution.
- Discuss the methods to cross verify the record of the customers.

#### SOURCING AND SELECTING CANDIDATES FOR LOANS:

Video References:

- [https://www.youtube.com/watch?v=ldImzoFOmhl&list=PLLvalDg8H-Qbs\\_brob4EmsVq2pJCp9Zos&index=4](https://www.youtube.com/watch?v=ldImzoFOmhl&list=PLLvalDg8H-Qbs_brob4EmsVq2pJCp9Zos&index=4)
- <https://www.youtube.com/watch?v=bdVnpXpFCmo>

#### MICROFINANCE INSTITUTION LOAN PORTFOLIO

One of the most important tasks for a financial institution is to manage its loan portfolio adequately. The loan portfolio is usually the largest asset of a financial institution and, therefore, its main revenue generating asset, so ensuring accurate and timely reporting of the portfolio quality is crucial for competent management. In simple terms this means finding out if the institution is recovering the money it lends.

#### **What is Credit Rating**

- [https://www.youtube.com/watch?v=1w\\_vo7P62UM](https://www.youtube.com/watch?v=1w_vo7P62UM) (till 1.27)
- <https://www.youtube.com/watch?v=FPjxpeWzCDI> (from 3.32 till 5.53)

#### **Understanding CIBIL scores:**

- <https://www.youtube.com/watch?v=gP6GgpkOCbU>
- Verification of scores (Demo): <https://www.creditmantri.com/credit-score/>

## KYC Policy

The KYC policy need to be collected from every customer. The Reserve Bank of India (RBI) has issued comprehensive 'Know Your Customer' (KYC) Guidelines to all Non-Banking Financial Companies (NBFCs) in the context of the recommendations made by the Financial Action Task Force (FATF) and Anti Money Laundering (AML) standards and Combating Financing of Terrorism (CFT) policies as these being used as the International Benchmark for framing the stated policies, by the regulatory authorities.

In view of the same, companies have adopted the said KYC guidelines with suitable modifications depending on the activity undertaken by them. The Companies have ensured that a proper policy framework on KYC and AML measures are formulated in line with the prescribed RBI guidelines and duly approved by its Loan & Risk Committee ("Committee").

### **OBJECTIVES, SCOPE, AND APPLICATION OF THE POLICY:**

The objective of KYC guidelines is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities or terrorist financing activities. KYC procedures shall also enable the Company to know and understand its Customers and its financial dealings better which in turn will help it to manage its risks prudently. Thus, the KYC policy has been framed by the Company for the following purposes:

1. To prevent criminal elements from using Company for money laundering activities.
2. To enable Company to know and understand its customers and their financial dealings better which, in turn, would help the Company to manage risks prudently.
3. To put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws/laid down procedures.
4. To comply with applicable laws and regulatory guidelines.
5. To ensure that the concerned staff are adequately trained in KYC/AML/CFT procedures.

This KYC Policy is applicable to all branches/offices of the Company and is to be read in conjunction with related operational guidelines issued from time to time.

This Policy includes nine (9) key elements:

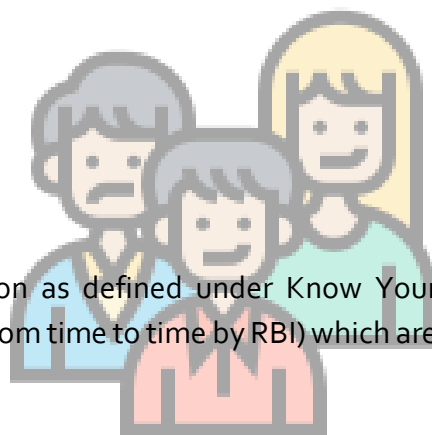
- a) Customer Acceptance Policy (CAP).
- b) Customer Identification Procedures (CIP).
- c) Monitoring of Transactions



- d) Risk Management
- e) Training Programme
- f) Internal Control Systems
- g) Record Keeping
- h) Appointment of Principal Officer
- i) Reporting to FIU – India.

## DEFINITION OF CUSTOMER

For Company's KYC policy, a 'Customer' means a Person as defined under Know Your Customer Guidelines issued by RBI (and any amendment from time to time by RBI) which are at present as under: -



- a) A person or entity that maintains an account and/or has a business relationship with the Company.
- b) A Person who has a Registered Account with Company and has a financial transaction or activity with the Company.
- c) A Person on whose behalf the Registered Account is maintained (i.e., the beneficial owner)
- d) Beneficiaries of transactions conducted by professional intermediaries such as Stockbrokers, Chartered Accountants, Solicitors etc. as permitted under the law.
- e) Any other Person connected with a financial transaction which can pose significant reputation or other risks to Company, say a wire transfer or issue of high value demand draft as a single transaction.

A "Person" shall have the meaning as defined under KYC policy of RBI (and any amendment from time to time by RBI) which at present is as follows:

'Person' shall include:

- a) an Individual
- b) a Hindu Undivided Family
- c) a Company
- d) a Firm
- e) an association of persons or a body of individuals, whether incorporated or not; (vi) every artificial juridical person, not falling within any one of the above people (i to v);
- f) any agency, office or branch owned or controlled by any one of the above persons (i to vi)

Customer Identification means identifying the Customer and verifying his/her identity by using reliable, independent source documents, data, or information. Company shall obtain sufficient information necessary to verify the identity of each new Customer along with brief

details of its promoters and management, wherever applicable, whether regular or occasional and the purpose of the intended nature of business relationship as specified in Annexure I and Annexure IV. The requirement as mentioned herein may be moderated according to the risk perception for e.g., in the case of a public listed company it may not be necessary to identify all the shareholders.

Ongoing monitoring is an essential element of effective KYC procedures. Monitoring of transactions and its extent will be conducted taking into consideration the risk profile and risk sensitivity of the account. Company shall make endeavours to understand the normal and reasonable activity of the customer so that the transactions that fall outside the regular/pattern of activity can be identified, Special attention will be paid to all complex, unusually large transactions and all unusual patterns, which have no apparent economic or visible lawful purpose.

Company may prescribe threshold limits for a particular category of accounts and pay particular attention to the transactions which exceed these limits. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer should particularly attract the attention of Company. Higher risk accounts shall be subjected to intense monitoring.

**Notes: Revising Documents-required-for-microfinance-loan**

- <https://www.reliancemoney.co.in/microfinance>
- <https://www.reliancemoney.co.in/documents-required-for-microfinance-loan>

**Company shall set key indicators for such account's basis the background of the customer, country of origin, sources of funds, the type of transactions involved and other risk factors** which shall determine the extent of monitoring. Company shall carry out the periodic review of risk categorization of transactions/customer's accounts and the need for applying enhanced due diligence measures at a periodicity of not less than once in six months. Company shall explore the possibility of validating the new account opening applications with various watch lists available in public domain, including RBI watch list.

Company shall have ongoing employee training programs so that the members of the staff are adequately trained in KYC/ AML/ CFT procedures. Training requirements shall have different focuses for front line staff, compliance staff and officer/ staff dealing with new Customers so that all those concerned fully understand the rationale behind the KYC Policies and implement them consistently.

The Company's Internal Audit and Compliance functions will evaluate and ensure adherence to the KYC Policies and procedures. As a rule, the compliance function will provide an

independent evaluation of the Company's own policies and procedures, including legal and regulatory requirements.

The Management of the Company under the supervision of the Committee shall ensure that the audit function is staffed adequately with skilled individuals. Internal Auditors will specifically check and verify the application of KYC procedures at the branches and comment on the lapses observed in this regard. The compliance in this regard shall be put up before the Committee along with their normal reporting frequency. Further, the Company shall have an adequate screening mechanism in place as an integral part of their recruitment/hiring process of personnel so as to ensure that person of criminal nature/ background do not get an access, to misuse the financial channel.

There are also risks around customer data protection and data privacy, along with strategic and credit risks, which pose a significant challenge for institutions striving to become sustainable. While the RBI has launched multiple initiatives such as data localisation, a cap on multiple lending, a regulatory sandbox and public credit registry, the microfinance sector is yet to develop robust risk management frameworks as it matures. Government initiatives play a significant role in channelling the credit flow to underserved sectors through priority sector lending, Micro Units Development and Refinance Agency Ltd. (MUDRA) Yojana, loan co-origination and private sector investments. To supplement these initiatives, steps are being taken to empower women by providing them easy access to credit, assistance in starting their own business and financial literacy programmes.

## CHAPTER 4

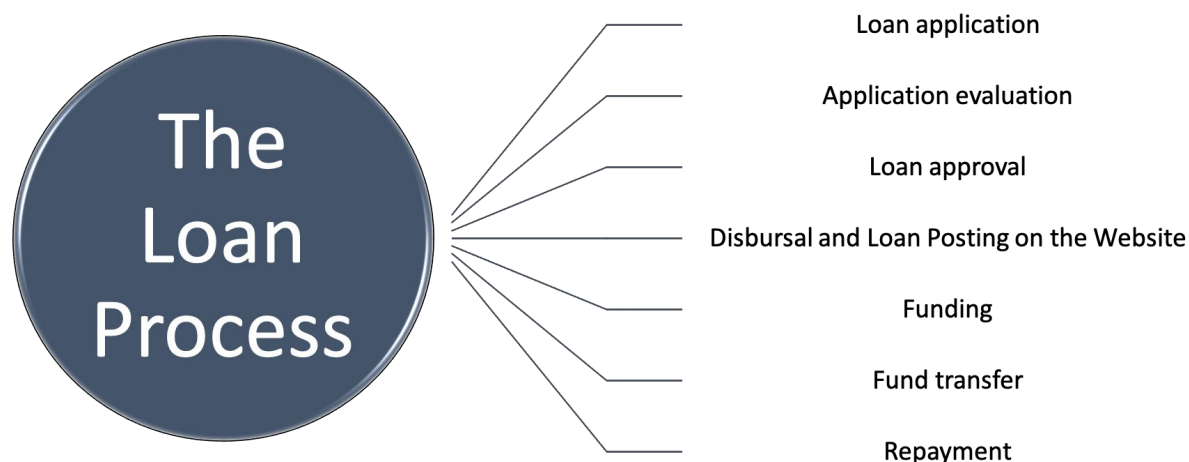
### FACILITATE LOAN DISBURSEMENT PROCESS

#### LEARNING OBJECTIVES

- Discuss the loan sanctioning and disbursement process.
- State the importance of ensuring the disbursement of loan within a stipulated time.

#### DISBURSEMENT OF MICROFINANCE LOANS - PROCESS

Loan disbursement refers to the release of the credit amount by the bank or financial institution to the borrower. Generally, the lender disburses the loan amount once all the legal formalities are done, documents submitted, and the down payments are made. The amount can be disbursed in stages or in full depending on the stage of construction completion of your house.



The entire application and disbursal process is as follows:

#### **1. Applying for a Personal Loan**

The first step of the loan disbursal process is the loan application. Once you have selected a lender, you will then be required to apply for the Personal Loan. Along with a duly filled loan application form, you will have to submit documents such as:

- ID proof
- Address proof
- Income proof
- Bank statements
- Income Tax Returns (ITR)

- Two passport size photographs

## 2. Loan approval

Once you have submitted the loan application along with the required documents, the lender will then initiate the approval process. Depending on the lender you select, approval can take 2-3 working days. The approval can take longer if your documents are not in order. So, make sure that you thoroughly check the documents required for the loan before submitting your loan application. Loan approval is generally faster if you are an existing customer of the lender. For instance, you can consider the same bank for your Personal Loan in which you have your Savings or Salary Account.

## 3. Loan disbursal

If your loan is approved, the lender will then send you a sanction letter either through e-mail or by post. The sanction letter will mention that your loan application has been approved, along with other details like interest rate, loan amount, Equated Monthly Instalment (EMI), etc.

Personal Loan disbursement time after approval can range from 1-2 working days. You can then collect the cheque of the loan amount by visiting the lender. Some lenders also mail the check to your address. In the last few years, most lenders have started depositing the loan amount directly into the bank account of the borrower.

## 4. Loan confirmation

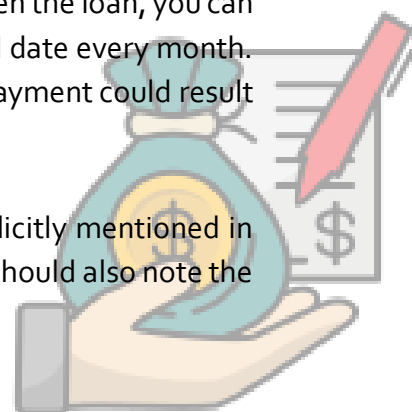
Once the loan is disbursed, the lender will then send you a confirmation letter for the same. This could be sent through e-mail or by post. The confirmation letter generally comes along with a welcome kit. The welcome kit will have detailed information about your Personal Loan, EMI, amortisation table, EMI payment options, due date, customer support and more.

## 5. Loan repayment

After receiving the loan money, you can start repaying it as per the loan agreement. EMIs can be paid through Electronic Clearing Service (ECS) or post-dated cheques. If you already have an account in the bank from which you have taken the loan, you can also give standing instructions for automatic EMI debit on a fixed date every month. Do pay your monthly EMIs on time as non-payment or delayed payment could result in penalties.

A customer is required to pay only those charges which are explicitly mentioned in the factsheet provided by the lender. Besides this, the customer should also note the following:

- a. There is no pre-payment penalty on microfinance loans.



- b. Penalty, if any, for delayed payment can be applied only on the overdue amount and not on the entire loan amount.
- c. Any change in interest rate or any other charge shall be informed to the borrower in writing well in advance and these changes shall be effective only prospectively.

RBI has made it mandatory for lenders to display the minimum, maximum and average interest rates charged on microfinance loans in all their offices, in the literature (information booklets/ pamphlets) issued by them and details on their website.

## **ENSURING THE DISBURSEMENT OF LOAN WITHIN A STIPULATED TIME**

Thousands of people work hard at juggling the dynamic functions of the accounting process. They typically have a clear vision of how to invoice customers, manage payables and process payroll, but stumble on the function of managing accounts that don't pay on time.

Although delinquencies might be a small percentage of a company's annual sales, uncollected bills directly hit the bottom line of any enterprise and can mean the difference between filing a profit or a loss at tax time. Here are some critical considerations if you are determined to improve your collection program:

1. **TIME:** There is never enough of it in a typical workday, work week or year. We must invoice on time, follow up on time, and realize that the more time that passes and accounts age, the possibility of collection decreases dramatically. We absolutely must communicate on a timely basis.
2. **FEAR OF LOSING A CUSTOMER TO COLLECTIONS:** Don't fear that the increasingly delinquent customer may go somewhere else. Some customers make their rounds in your specific industry, perpetuate a culture of incurring debt, and move on to another product or service provider. Make the decision early to escalate collections before your opportunities diminish.
3. **A CLEAR COLLECTION PLAN:** The only way to orchestrate a successful collection program is to develop a policy embraced by all constituents in the organization that clearly outlines the following steps:
  - a. When do you invoice?
  - b. When does the late notice get generated?
  - c. When do you assess late fees and interest?
  - d. When do you make phone calls as follow up?
  - e. When do you discontinue orders and service to the customer?
  - f. When is it time for outside collection assistance?

4. **BE PROACTIVE, NOT REACTIVE:** Most financial professionals react to unpaid bills with a variety of solutions they feel might motivate customers to pay. However, many organizations are finding success in being more proactive with their approaches.
5. **OUTSOURCE:** Every creditor should seek outside assistance when the agreed internal steps to collection have expired, and recovery is doubtful. Third-party debt collection firms can help you manage your internal program by executing notices and phone calls on your behalf as well as take assignment of your accounts that have been written off the books as uncollectible. Partnering with a good collection organization can add to your bottom line.

Specific reasons for including a dedicated mechanism for redressal of recovery:

- Information which adequately identifies the borrower
- Simplified factsheet on pricing
- All other terms and conditions attached to the loan
- Acknowledgements by the lender of all repayments including instalments received and the final
- Details of the grievance redress system, including the name and contact number of the nodal officer of the lender.

**Notes: Loan Disbursement Process:** <https://www.youtube.com/watch?v=rJopcbiFyNU>

## CHAPTER 5

### PERFORM RECEIVABLES COLLECTION ACTIVITIES

#### **LEARNING OBJECTIVES:**

- Discuss standard procedures and legal guidelines for the collection of receivables and the importance of adherence to the same.
- Discuss the basics of accounting.
- Discuss the procedure to follow-up and recover overdue from the defaulter or debtors.

A good accounting system produces accurate, relevant, and timely reports and enables meaningful analysis and monitoring of operations. Accountants verify, reconcile, and produce financial statements supported by accompanying schedules, and must know how to do that well. The basic components are:

- 1. FINANCING ACCOUNTING:** Financial accounting is concerned with recording, organizing and summarizing the financial results of past operations. Financial accounting reports are generally prepared monthly for internal and external purposes. The annual financial statements are subject to an independent auditor's opinion to verify the fairness and reasonableness of information presented. Financial information is like a map that tells what is going on in an MFI and where it is headed.
- 2. FINANCIAL INFORMATION AND REPORTS:** Generally, an MFI's financial status can be determined by three types of financial reports:
  - Financial statements (from the accounting system) – the Balance Sheet, the Income and Expense statement
  - Cash flow statements (from the accounting system) – Cash Flow Statements; Cash Flow Projections can be prepared from the statements as well to plan for smooth operations.
  - Portfolio reports (from the client portfolio system, essentially the sub-ledger of the accounting system) and operational reports
- 3. THE FINANCIAL STATEMENTS:** The timely and accurate production of financial reports is critical to the health of a microfinance program. If financial records are not produced accurately and punctually, the ratio analysis becomes misleading and unreliable. Financial statements include:
  - the Income Statement, also called Profit and Loss Statement, or Income and Expense Statement,
  - and the Balance Sheet



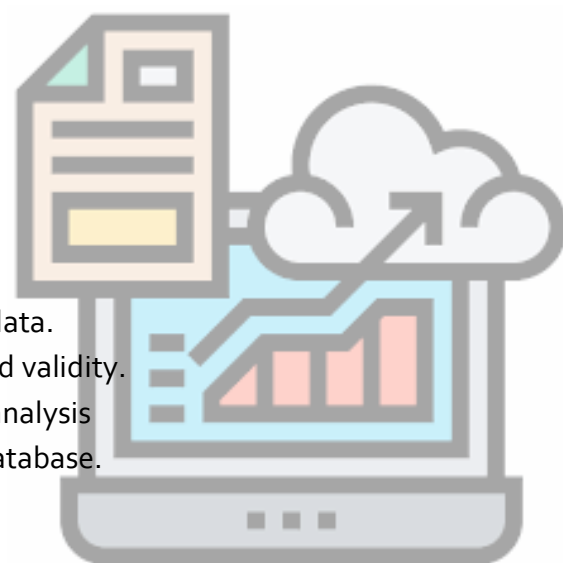
Income Statement presentation will show the current period's activity, and a column that shows the past period's activity. Some MFIs show budget columns, percentage of budget, current quarter activity, year to date activity and so on. Information on the Income Statement is normally divided between revenue accounts and expense accounts. It also generally segregates operating from non-operating accounts. Operating accounts relate to the core business of an MFI – its financial service activity. Non-operating accounts include any revenue and expenses from other activities.

## CHAPTER 6

### MAINTAIN DATA INTEGRITY

#### LEARNING OBJECTIVES:

- Discuss the usage of digital technology to capture data.
- Describe various ways to check data for accuracy and validity.
- Explain the procedure to generate reports for data analysis.
- State the significance of a complete and accurate database.



#### WHAT IS DATA INTEGRITY?

Data Integrity in its simplest form can be thought of as the reliability and trustworthiness of data over its entire lifecycle, from the moment it is generated or collected, transferred, stored, backed up, archived, or used in performing analysis. Data Integrity answers the question of whether data is accurate, consistent, and can be trusted.

Data is said to have Integrity if it can be shown that the contents of that data have not been corrupted or compromised whether through a mistake as in the case of human error or maliciously updated as in the case of a data breach such as a ransomware attack.

Data Integrity can be used to describe the state of your data, is it valid or invalid, accurate or inaccurate. It can also be used to describe the processes through which you try to attain Data Integrity for your data such as data validation, error checking, outlier detection, etc.

Data Integrity usually goes hand in glove with Data Security. Whereas Data Security is concerned with limiting access to data to those with the requisite privilege, Data Integrity is more encompassing as it seeks to maintain the overall consistency and reliability of data. Data Integrity is a supporting component of Data Security alongside others like data validation and data quality.

In the event of a malicious or unauthorized change in data, a system that adheres to the standards of Data Integrity should be able to answer questions such as which data changed, who changed the data, when was the data changed, what permission level was required to change the data, etc. The entire role of Data Integrity is to ensure that records are not corrupted during the entire period they are in existence.

## TYPES OF DATA INTEGRITY

Understanding the two types of data integrity, physical and logical, is necessary for maintaining data integrity. In both hierarchical and relational databases, both are collections of procedures and methods that maintain data integrity.

1. **Physical Integrity:** Physical integrity refers to the safeguarding of data's completeness and correctness during storage and retrieval. Physical integrity is jeopardized when natural calamities hit, power goes out, or hackers interrupt database functionality. Data processing managers, system programmers, applications programmers, and internal auditors may be unable to access accurate data due to human mistakes, storage erosion, and a variety of other difficulties.
2. **Logical Integrity:** In a relational database, logical integrity ensures that data remains intact when it is used in various ways. Logical integrity, like physical integrity, protects data from human mistakes and hackers, but in a different way. Logic integrity can be divided into four categories:
  - a. **Entity Integrity:** To ensure that data isn't listed more than once and that no field in a database is null, entity integrity relies on the generation of primary keys — the unique values that identify pieces of data. It's a characteristic of relational systems, which store data in tables that may be linked and used in various ways.
  - b. **Referential Integrity:** The term "referential integrity" refers to a set of procedures that ensure that data is saved and used consistently. Only appropriate changes, additions, or deletions of data are made, thanks to rules contained in the database's structure concerning how foreign keys are used. Rules may include limits that prevent redundant data entry, ensure proper data entry, and/or prohibit the entering of data that does not apply.
  - c. **Domain Integrity:** Domain integrity is a set of operations that ensures that each piece of data in a domain is accurate. A domain is a set of permitted values that a column can hold in this context. Constraints and other measures that limit the format, kind, and amount of data entered might be included.
  - d. **User-Defines Integrity:** User-defined integrity refers to the rules and limitations that the user creates to meet their own requirements. When it comes to data security, entity, referential, and domain integrity aren't always enough. Business rules must frequently be considered and included in data integrity safeguards.

## LEGAL FRAMEWORK

Legal Framework of Microfinance prepares the base for Micro Financial Institutions. Microfinance institution acquires permission to lend through registration. Each legal structure has different formation requirements and privileges. Microfinance institutions in India are registered as one of the following FIVE ENTITIES:

- Non-Government Organizations engaged in microfinance (NGO-MFIs), comprised of Societies and Trusts
- Cooperatives registered under the conventional state-level cooperative acts, the national level multi-state cooperative legislation Act (MSCA 2002), or under the new state-level mutually aided cooperative acts (MACS Act)
- Section 25 Companies (not-for-profit) (Ref. Section 8 under Companies Act 2013)
- For-profit Non-Banking Financial Companies (NBFCs)
- NBFC-MFIs

## CHAPTER 7

# MAINTAIN EFFECTIVE COMMUNICATION AND SERVICE STANDARD

### LEARNING OBJECTIVES:

- Discuss the importance of professionalism, etiquette, and code of ethics to be maintained at the workplace.
- Describe the methods and importance of effective communication.
- State the significance of maintaining clarity, honesty, and transparency while communicating with the customers and colleagues as well as not defaming the competitors.

### WHAT IS CUSTOMER SERVICE COMMUNICATION?

Customer service communication refers to the exchange of information between a customer and a company while resolving the customer's issue. From email responses to social media updates and phone calls – there are so many ways to communicate with your customers and help. Excellent customer service communication requires skills like speaking and writing clearly, effectively, efficiently, and politely. You need to employ empathetic listening when you're communicating with customers. Remember, communication is a two-way street.

#### **Why are communication skills important in customer service?**

A single bad experience can affect how your customers perceive your brand. In fact, one-third of consumers say they would consider switching companies after just one instance of bad customer service.<sup>1</sup> Being able to convey a message effectively is critical to offering excellent customer support. Without communication, there's no customer service possible.

Listening to the customer, being patient, displaying empathy, and understanding the issue or problem are skills that help you communicate effectively with the customer and are a must-have while working in customer support.

#### **What are the factors that impact customer service communication?**

Good communication and effective customer service are intertwined. Several factors can impact how you communicate with customers and deliver customer service. They are:

1. **Convenience:** Giving your customers the freedom to choose the communication channel they prefer is part of an excellent customer experience. In fact, according to Microsoft, 54% of consumers worldwide favour brands that respond to customer service questions or complaints on social media.

2. **Support:** Offer support through the channels of communication your customers use the most and make it easy for them to contact you. For example, if your customers belong to a younger demographic, you might want to consider offering customer support through your social media and mobile-first messaging channels such as WhatsApp and LINE.
3. **Personalization:** The experience of talking to a person using a script versus communicating empathetically with someone is entirely different. Customers will feel heard from the beginning if you can relate to their needs. When we contact customer support, we are looking for someone who can understand what we are looking for and help us with a quick resolution.

Personalizing the experience by introducing yourself, addressing the customer by name, and trying to gather context about the customer's issue beforehand is part of excellent customer service communication. Ultimately, you want your agents to be supportive when it comes to wanting to help your customers. This is the best personalization experience you can offer.

4. **Consistency:** Consistency means that the service experience doesn't change depending on who's offering support or the channel of communication. For example, when customer support reps communicate with your customers, you want them to use consistent guidelines and refer to unified customer records to ensure that customers don't face any breaks in their experience.

If your company sells luxury products, you'd want your reps to provide a little bit of the VIP treatment. You can do this by viewing a customer's previous interactions across channels and accessing their order history to get up to speed on their issue. By gathering context beforehand, you can give the customer the impression that you know exactly what they are going to talk about. This can help you offer fast, context-rich, consistent assistance that is nothing short of VIP treatment. It's best to ensure that your brand voice shines through in all interactions. Brands also need to be consistent in the vocabulary they use across all channels, and reps should have the skills to use it precisely during interactions for a better service.

## 5. **Feedback responses:**

Each interaction with your customer is an opportunity to collect valuable data about how your customers feel about your brand. According to Microsoft, 89% of customers view brands favourably if they proactively invite and welcome customer feedback.<sup>2</sup> You can use the given information to learn more about their likes, dislikes, and think about improving your product. Additionally, when you collect customer

feedback, it gives your customer an impression that you care, helping you to strengthen relationships.

## **WAYS TO IMPROVE CUSTOMER SERVICE COMMUNICATION**

Enhancing and developing better customer service communication skills should be part of your overall customer service strategy. Here are the areas to focus on to improve your customer communication:

- **#1 Practice patience and empathy**

Show that you care for your customers even if they share their frustration. Some customers need that extra word of assurance or a higher level of engagement to feel satisfied with the outcome. Also, being patient allows you the time to figure out the root cause of the problem and how to provide an effective solution instead of closing the loop in a hurry.

- **#2 Communicate clearly and concisely.**

Develop command over your language and product knowledge to inspire trust in your customers. Clarity requires you to break down complexities into concepts that are easily digestible for your customers. For example, while they don't need to know the nitty-gritty of what caused a bug, you may need to explain what really happened in simpler terms.

- **#3 Listen to your customers intently.**

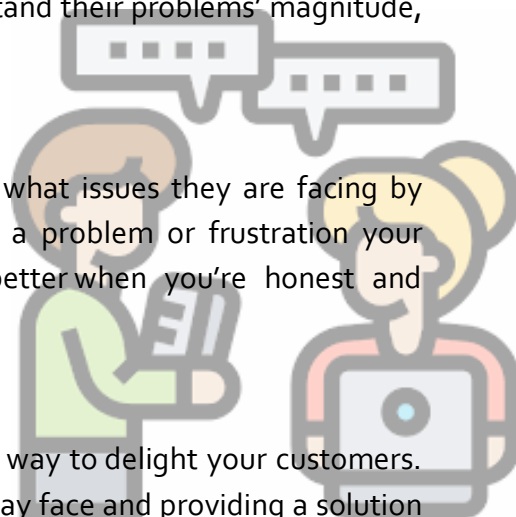
Waiting on hold forever to get the help you need can be very frustrating, but having a customer support rep get you an incorrect answer is even worse when it comes to customer frustration! So, listening carefully to what customers are saying is probably the single most effective strategy to provide the solution they need. You might not be able to help them, and perhaps you need to contact someone else, but ultimately, if you understand their actual problem, you'll give them a solution. Listen to your customers with attention to specific details, understand their problems' magnitude, and identify internal areas of improvement.

- **#4 Display emotional intelligence**

Speak the customers' language and acknowledge what issues they are facing by putting yourself in their shoes. Empathizing with a problem or frustration your customer can go a long way – customers feel better when you're honest and genuinely care about fixing their issue.

- **#5 Be proactive in your approach.**

Going the extra mile with a customer is a fantastic way to delight your customers. Anticipating potential issues that your customers may face and providing a solution



can save them a headache. For instance, you can communicate foreseeable issues in advance via email or chat, and offer help instantly when customers are showing visible signs of frustration using website widgets. Proactive communication can play a major role in ensuring why your customers stick to your brand.

- **#6 Use data to know your customers better.**

Consider the following stat: It's five times more expensive to acquire new customers than retain your current ones. Knowing this, it's a no-brainer to find out why customers are leaving and focus on keeping them. Knowing who your customers are and what drives them to buy your product or request for your service are crucial to business growth and success. Use analytics to identify customer groups and their needs to offer them personalized experiences and stand out from the competition.

- **#7 Add creativity into the mix.**

Customer service can get very monotonous. So, when the right opportunity presents itself, add some creativity to delight your customers. Creative responses, especially on social media, can get a positive response, even if it's for solving a grievance. If you're consistent with your brand, your customers will enjoy humor and creativity! However, use discretion when it comes to humor and creativity. There might be some situations, issues, or customers that would not appreciate a light-handed reply. To avoid mishaps, drawing out the lines of acceptable or unacceptable scenarios in which to allow a free hand, is critical.

- **#8 Enable employee engagement.**

Support your customer service agents, enabling them to discuss their problems with experts who can connect with what they go through. Not only will this encourage knowledge sharing and collaboration across the organization but also present newer opportunities to delight customers.

- **#9 Ask for customer feedback and fine-tune your support.**

Customer feedback is one of the most important aspects of improving your customer experience. When a customer picks up the phone, sends you an email, or messages you on social media, they give you the chance to improve your product – don't miss out. By listening to what customers are saying, you can refine and improve your customer support. Therefore, an integral part of customer service communication is reaching out to customers and asking for their feedback.

- **#10 Manage time efficiently.**

As the saying goes, "time is money." Tracking your time for different types of issues, analysing scenarios that cause delays, and working on them are all part of improving your customer service communication. For example, assigning a resolution with a



deadline for when the ticket needs to be closed or resolved can ensure that the customer gets their issue resolved with quality responses and action, not just quick answers.

**Video References:**

- Professionalism, etiquette, and code of ethics to be maintain:  
<https://www.youtube.com/watch?v=ELAWbQOrdFY&t=41s>
- Handling complex and difficult situations:  
<https://www.youtube.com/watch?v=NVgbScGCNBA>

## CHAPTER 8

### MAINTAIN HEALTH AND SAFETY STANDARD

#### LEARNING OBJECTIVES:

- Discuss the legislative requirements and standard procedures for health, safety, and security and the role and responsibility of a Microfinance Executive concerning the same.
- Discuss the concept, types, and reporting procedure of health and safety hazards found at the workplace.
- State the implications of non-compliance with the health and safety standards.
- Discuss the importance of reporting the health, safety, and accident.
- Discuss the role of government agencies in the areas of safety health, and security and their norms and services.

#### ABOUT THE HEALTH AND SAFETY INDUSTRY

Health and safety in the occupational field maintain employees' physical and mental well-being during work and create a healthy and safe work environment. The industry also seeks to protect customers and the public from any risks that may affect them. Workplace hazards include chemicals, long working hours, allergens, biohazards, and loud environments. These factors vary by industry and work environment. So therefore, health and safety standards are applicable to most industries such as:

- Transportation
- Lumber
- Fishing
- Mining
- Aviation
- Metalworking
- Agriculture

Companies are legally obligated to take action to protect their employees. Some countries have government bodies or departments that regulate occupational safety issues.

Some trends in the health and safety industry include:

- Smart personal protective equipment (PPE) that collects data on biometrics, movement and location.
- Workplace safety tools on mobile apps for workers who use mobile devices.

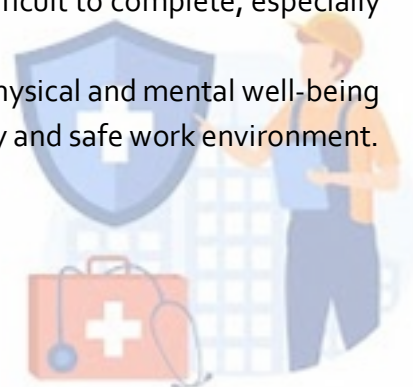
- Autonomous vehicles (AVs) that will drive more safely and efficiently than human drivers.
- Employee retraining to ensure compliance with safety measures.

## **CHALLENGES THE HEALTH AND SAFETY INDUSTRY FACES**

Though health and safety measures are prominent in many workplaces, they became even more critical during the coronavirus pandemic. Front-line workers place their health at significant risk, and essential employees and others who interact with the public are also at risk of exposure. Though health and safety may be challenging for some businesses, keeping employees and customers safe is necessary.

Some challenges in the health and safety industry include:

- **Less experienced workforce:** Demographic changes in the workforce create new health and safety challenges that companies need to address. For example, younger workers have less work experience and job skills and are more likely to get injured than older employees with years of experience and stronger skills.
- **Poor employee engagement:** Employees who are not engaged with their work are less likely to follow important safety protocols, risking their health and well-being. Some employees fail to connect safety precautions with their job duties, and experienced employees may want to continue doing tasks the way they're used to instead of the safe way.
- **Lack of ongoing training:** Businesses may find that ongoing training for employees can be time-consuming. However, prioritizing training is essential to keeping workers informed about safe practices for protection at work.
- **Numerous safety risks:** Due to the various tools, equipment, vehicles, and machines used on job sites, many safety and health risks are present in the workplace. Identifying and taking precautions against all these hazards is a daunting task for some businesses, which can cause them to neglect this protocol.
- **Complex safety laws:** new laws and regulations are frequently passed to address new workplace hazards. When these rules are introduced, businesses need to understand and implement them and communicate the changes to employees to ensure workers carry them out. These steps can be difficult to complete, especially when changes are frequent.
- **Changing working practices:** Ensuring that workers physical and mental well-being during work are not overlooked and to create a healthy and safe work environment.



## HEALTH AND SAFETY INDUSTRY STANDARDS SUPPORTED

The most common standards in the health and safety industry are:

- **ISO 45001:** ISO 45001 is the international occupational health and safety standard. It alleviates factors that would harm employees' physical or mental well-being to reduce the likelihood of work-related accidents and illnesses. It was created based on the system management principles of ISO 9001 and ISO 14001, and it also considers ILO's labour standards and OHSAS 18001.
- **SSIP:** Safety Schemes in Procurement (SSIP) mutually recognizes schemes for occupational health and safety standards in the construction industry. It establishes a mutual recognition between the safety and health pre-qualification schemes. This approach saves the time, cost and effort associated with getting multiple certifications. Suppliers who need multiple certifications for different schemes can reduce duplication and focus on important job tasks.
- **ISO 9001:** ISO 9001 is the international standard for quality management systems. Its framework and principles provide a sensible management approach for organizations. These quality control measures improve products and services to surpass industry standards. As a result, business processes will be streamlined, and employees' work will be more effective. This efficiency will satisfy customers and stakeholders and improve your brand image.
- **ISO 50001:** ISO 50001 is a standard for energy management. It provides a framework for optimizing energy efficiency in organizations. Certification to this standard demonstrates a commitment to improving energy management practices, ensuring compliance to regulatory and legislative requirements and being a leader for sustainable practices in your industry. ISO 14001 is the basic framework for this standard, so compliance to ISO 14001 will help you achieve ISO 50001 certification.
- **ISO 27001:** ISO 27001 is an international information security management system standard. It offers a framework for continuing information integrity, availability, confidentiality, and compliance. It protects vital brand image information and personal data from cyberattacks, data breaches, vandalism, and fire damage. It is compatible with other management system standards like ISO 9001. Certification will assess how well your data is currently protected and identify improvement opportunities to enhance security. ISO 27001 does not cover General Data Protection Regulation (GDPR).
- **ISO 39001:** ISO 39001 is the international standard for road traffic safety management systems (RTSMS). It provides a framework for safety improvements to reduce the risk of injury or death from road traffic accidents. It is compatible with other management standards like ISO 14001 and ISO 9001, making it more effective for integration in management systems.

## ADVANTAGES OF HEALTH AND SAFETY INDUSTRY ISO CERTIFICATIONS

The health and safety industry are prominent in many industrialized countries, yet injuries and accidents in the workplace are still a possibility. ISO standards for the health and safety industry will help your business promote safe practices to reduce the chances of accidents and injuries.

Compliance to health and safety industry standards will give you these benefits:

- **Enhance OHS performance:** Compliance to ISO standards for health and safety will reduce illnesses and accidents in your facility. These standards outline systems and tools you can use to prevent injuries and keep workers safe.
- **Experience cost savings:** It is to your business's financial advantage to create a safe work environment. Businesses indirectly pay for worker injuries because they purchase insurance to cover injured workers' medical care and compensation. Reducing the risk of injury decreases the likelihood of a worker filing a claim, lowering your premiums and out-of-pocket expenses.
- **Demonstration of corporate commitment:** ISO certification for the health and safety industry shows employees, stakeholders, and the public that you're dedicated to creating a safe environment. These certifications will enhance your reputation and brand image.
- **Increase productivity:** Injured workers are often absent from work for a few days, which hinders productivity. When your employees have a safe work environment, business can continue as usual with no slow-downs or delays.

Microenterprises cover a wide range of business activities - some of which have negative environmental impacts. These impacts range from small-scale industrial pollution to land degradation from agricultural (crop and cattle grazing) activities. Some microenterprises have significant impacts in and of themselves, while others are of concern because of their cumulative ramifications. With the rapid expansion of microfinance and its anticipated future growth there is an increasing need to address the environmental effect of microenterprise activities.

Microfinance institutions have a special opportunity for stimulating economic development while addressing the looming ecological problems that threaten developing countries and the global environment. The potential for contributing to sustainable development is immense. Socioeconomic conditions in many developing nations are quite compelling in this context.

Most third world countries are experiencing rapid population growth. Developing nations are simultaneously undergoing economic growth and industrialization. These countries also

contain most of the world's high biodiversity regions. All this combines to create conditions of increased natural resource scarcity and degradation with implications on local, regional and global scales. Based on these realities it is imperative that development planners focus on integrating conservation and development objectives.

**Video Reference:** <https://www.youtube.com/watch?v=e37Eii7tRto>

## **WORKPLACE HAZARD**

It's easy to use the words "hazard" and "risk" interchangeably. But the truth is that the term "hazard" is a bit more nuanced than a simple risk. There are many definitions for hazard but consider the concept as it relates to workplace health and safety. With this context in mind, we can say that a hazard is any source of potential harm, damage or adverse health effects on someone or something within the workplace. Risk, on the other hand, is just the possibility that an accident can happen. Risk can be defined as the probability of the hazard occurring as well as the severity that hazard may present.

## **WORKPLACE HARM VS. WORKPLACE HAZARD**

It's important to separate the word "harm" from "hazard," in both the context of the workplace as well as in general. It can be easy to lump these two words together, but in fact, they are separate concepts with distinct definitions. Knowing the difference between a hazard versus harm will help you better prepare to prevent workplace hazards and reduce the risk of harm to yourself and your workers.

A hazard is anything that has the potential to induce harm or other adverse effects. People can experience health effects, while organizations can experience property or equipment loss. Hazards can also present the potential for harm to the environment.

The term "harm" refers to the adverse effects posed by hazards. Picture a hazardous material leaking out of a container on a pallet in a warehouse. The leaking material is a hazard, but harm only occurs when the material has caused negative health effects to a human, property or equipment damage or damage to the environment.

In short, a hazard is the potential source of harm to a worker, property, or the environment. Harm is the actual negative outcome, such as an injury or damage to the affected person, place or thing.

### Six main types of workplace hazards:



- **Biological:** Bacteria, insects, viruses, plants, animals, birds, humans, etc.
- **Chemical:** The toxic, chemical and physical properties of the material



- **Ergonomic:** Posture, workflow, workstation design, poor equipment design, improper workstation setup, heavy or awkward lifting, repetitive movements, etc.



- **Physical:** Loud noises, extreme pressures, magnetic fields, radiation, fire, poor lighting, unsafe machinery, misused machinery, obstructions in walkways, slippery floors, etc.

- **Psychological:** Violence, stress, constant low-level noise, threats of danger, discrimination, harassment, public relations, intense workloads, shift work, etc.



- **Safety:** Equipment malfunctions, equipment breakdowns, inappropriate machine guarding, tripping, and slipping hazards, etc.

- **Chemical:** Liquids like solvents, acids, paints and cleaning products, Vapours and fumes, Gases, Flammable materials, pesticides



### Details of the Most Important Hazards:

#### **BIOLOGICAL HAZARDS**

Research facilities and hospitals, among other industries, produce wastes that may contain disease-causing organisms, known as biological hazards. These pose a risk of infection for site personnel, and they could disperse into the environment via wind and water, leading to rapid spreading and more contamination.

There are many biological hazards present at hazardous waste sites. These include animals, insects, indigenous pathogens, and poisonous plants. All personnel must wear respiratory equipment and protective clothing to have a better chance of avoiding exposure. Workers should wash any exposed or potentially compromised equipment and body parts to help resist infection and spreading. This is referred to as decontamination. Here are some potential biological hazards workers can be exposed to:

- Fungi
- Mold
- Blood and other bodily fluids
- Plants
- Viruses and bacteria

- Bird and animal droppings
- Insect bites

## CHEMICAL HAZARDS

Workers experience chemical hazards when they face exposure to a chemical preparation in the workplace. This chemical may take the form of a gas, liquid or solid. While some materials are safer than others, all pose a risk to workers. This concern is especially true when you consider that different people have different sensitivities to chemicals. This is even true of common chemicals that can cause breathing issues, skin irritation and illness.

Beware of the following chemical hazards:

- Liquids like solvents, acids, paints, and cleaning products, especially if they are in unlabelled containers.
- Vapours and fumes that come from exposure to solvents or welding.
- Gases including helium, carbon monoxide, hydrogen sulphide, ammonia, propane, and acetylene.
- Flammable materials including explosive chemicals, solvents and gasoline.
- Pesticides

## ERGONOMIC HAZARDS

Ergonomic hazards happen when working conditions, body positions and the type of work being performed put a strain on the body. Ergonomic hazards can be difficult to identify since the strain exerted on the body often takes time to reveal itself. Workers may experience light symptoms like sore muscles after experiencing harm from ergonomic hazards. But over time, even these light ailments can lead to severe long-term illnesses.

Here are some examples of ergonomic hazards:

- Frequent lifting
- Improperly adjusted chairs and workstations
- Bad posture
- Awkward movements
- Repetition of a certain motor skill
- Vibrations



## CHAPTER 9

### MATERIAL CONSERVATION

#### **LEARNING OBJECTIVES:**

- Discuss organizational procedures for minimizing waste.
- Discuss the ways to manage material and water usage at work effectively.

#### **Video References:**

- List the different types of waste to be segregated:  
<https://www.youtube.com/watch?v=o7ym6iZNMQU>
- Ways to manage material and water usage at work effectively  
<https://www.youtube.com/watch?v=ZERrpFwETgs&t=1s>

## CHAPTER 10

### ENERGY/ELECTRICITY CONSERVATION

#### LEARNING OBJECTIVES:

- List the energy-efficient devices that are used in the job.
- Discuss the ways to identify electrical problems that can arise during work.
- Discuss the standard practices to be followed for conserving electricity in the job.
- State the impact of improperly connected electrical equipment and appliances on the tasks being performed.

#### ENERGY-EFFICIENT DEVICES

1. **Smart Thermostats:** A step beyond the programmable thermostat, new smart thermostats learn how and when a family uses the heating and air conditioning system and follows your patterns for the smartest energy savings. This saves as much as 40 percent of a home's overall energy bill from heating and cooling.
2. **LED Lighting:** Of all the energy-efficient lighting available, LED bulbs offer the brightest light for the least money. LED is a good alternative, providing a consistent light for little money, and they are safe.
3. **Energy Management Systems:** These systems allow you to control the entire home via remote control. The lights, heating and air system, appliances, stereo, and security system can all be controlled from your remote or with your smartphone and no device will stay switched on.

#### **Electrical Problems and Standard Practices**

Electrical problems can be scary. They don't just damage the appliances but also pose a risk to life and property. Issues like high electricity bills, flickering lights, etc., indicate an electrical problem. Let's look at 5 common electrical problems and solutions.

1. **Poor circuit protection/ No RCCB:**  
Residual Current Circuit Breaker (RCCB) is a device that detects and prevents low voltage circuit if there is a current leak. It disconnects the load from the main supply when the circuit has residual current.  
**Solution:** Get an RCCB installed as it gives protection against direct and indirect currents, shock, and electrical fire.

## 2. Grounding Issues

- **No GFCI Installed:** GFCI breaks the circuit if there is an imbalance between incoming and outgoing currents. Without GFCI, there is a risk of overheating of electrical wires, shocks, burns, or an electrical fire. **Solution:** Get GFCI installed if you don't have one already.
- **Ungrounded Connections:** These are connections that do not have a grounding system as an added failsafe. Grounding provides a pathway for the excessive current to flow in case of a short circuit. **Solution:** Make sure all the connections are grounded and you have proper grounding system.

## 3. Lighting Problems

- a. **Light Bulbs Burn Out Too Frequently:** If your light bulbs go out too often, it could indicate electrical problems. Bulbs can burn out if:
  - i. Wattage is too high,
  - ii. High voltage,
  - iii. Improper air circulation,
  - iv. The bulb is fixed too tightly,
  - v. Bad wiring on mains or circuit

**Solution:** If you face this problem often, check if the holder is loose. Bring in a professional to determine the root cause of Electrical Burnout.

- b. **Flickering Lights and Too Bright or Dim Lighting:** If you notice the lights flickering or if one is brighter or dimmer than the others, there could be two reasons for that. They either consume different wattage of power or the main power panel has technical problems.

**Solution:** If the bulbs are of different wattage, there would be no issue, but if there is a problem in the power panel, you need to call a professional.

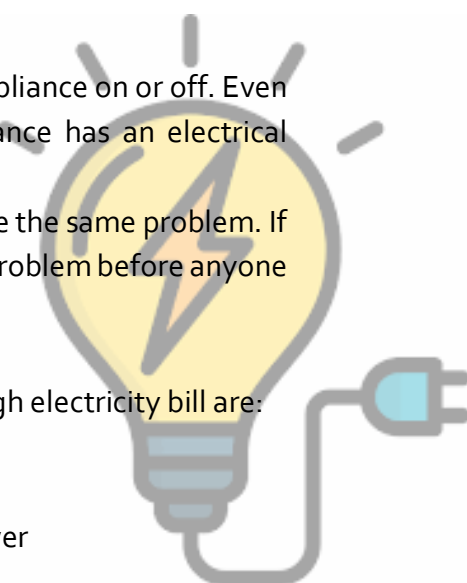
## 4. Electrical Shocks

You may experience electrical shocks when you turn an appliance on or off. Even if the shocks are mild, it is an indication that the appliance has an electrical problem, or there are issues with the wiring.

**Solution:** You can plug in another device and see if you face the same problem. If the results are reproducible, call in an electrician to fix the problem before anyone gets hurt.

## 5. High Electricity Bills: Some reasons why you may get a high electricity bill are:

- a. Damaged wiring and circuit
- b. Leakage in electrical systems
- c. Electrical devices are outdated and consume more power



**Solution:** You can reduce the cost of electricity bills by switching to more cost-effective devices and unplugging appliances when they are not in use as suggested by zero-waste blogger. Repairs damaged wires and identify electrical devices that may be causing power surges.

**6. Electrical surges**

It usually occurs due to poor electrical wiring in the house, faulty appliances, damaged power lines, or when lightning strikes. Electrical surges are common electrical problems, and they last for a split of a second. If there are frequent surges, they can damage the equipment and lower its life expectancy.

**Solution:** Check your electrical connections that connect the device to the home grid. Disconnect the poor-quality power boards or devices from the outlet. The surges should stop; if they don't, you must call an electrician.

**7. Power sags and dips**

When electrical appliances are connected to a faulty or a low-quality power grid, sags and dips occur. When you turn on the devices that are connected to the cheap or faulty power grids, they consume more power than what the device can handle. This cause sags and dips.

**Solution:** If you want to experience improved lighting and lower power consumption, have your power check, and replace your old device with a new one.

**8. Overloading**

The light fixture you may be using for your high-watts bulbs or other fittings could be designed for low voltage. This violates the code, increasing the risk of melting the socket and wire insulation of the fixture due to high heat from the bulb. This can cause electrical fires.

**Solution:** Fit the right bulb to the right fixture. If you are unsure of the wattage the fixture can handle, it is safe to use a 60-watt or a smaller bulb.

**9. Switches of light not working**

A switch not working is a result of poor workmanship or poor quality of products. It can also be a fault in wiring, circuit, or outlet.

**Solution:** Consult an electrician for this issue.

**10. An uncovered junction boxes.**

Junction boxes contain a lot of wires that are connected to each other and are designed to keep one section of wires away from the other. These boxes also protect the wires from getting damaged. An uncovered junction box increases the chances of electrocution.

**Solution:** Get it covered by a professional with the screws provided.

**11. Over circuited panel**

Your electrical panel is designed to accommodate a certain number of circuit breakers. These breakers fit into slots. A tandem breaker looks like two switches, but it doesn't need two slots. So, when people place tandem breakers in one slot instead of two single-pole breakers, they over-circuit the panel. An over circuited panel is a fire hazard and causes harm.

**Solution:** Call an electrician to replace the panel with a bigger load or add a sub-panel.

**12. Tripping circuit breaker**

If too many high-power consuming items are drawing power from the same source, there are chances of your breakers getting tripped – it's a good sign, though – it means your home is protected.

**Solution:** Reduce the number of high power-consuming appliances drawing power from the same source. Or use lower settings. If this doesn't fix the problem, call the electrician to check the wiring and figure out what causes the tripping.

**13. Backstabbed wires**

Backstabbed wires are wires with holes and cuts in them, thus exposing live wires and increasing the chances of electrocution if there is direct contact with them.

**Solution:** Turn off your power supply and cover the cuts and holes with tape. This fix is temporary, and the situation can become hazardous when the tape comes off. So, it is best to get a new wire fixed.

**14. Aluminium wiring**

Aluminium is a metal and is more susceptible to oxidation when conducting electricity. So, when it encounters other combustible materials like wood, plastic, etc., it can cause a fire.

**Solution:** Use copper instead of aluminium. Copper is cheaper and equally ductile, but it doesn't have the oxidation properties of aluminium.

## CHAPTER 11

### WASTE MANAGEMENT/RECYCLING

#### LEARNING OBJECTIVES:

- List the various types of recyclables, non-recyclable, and hazardous waste.
- State the significance of different colored dustbins.
- List the different types of waste to be segregated.
- State the importance of waste management.
- Discuss the standard methods for waste disposal.
- List the sources of pollution.
- Discuss the ways to minimize various types of pollution.

Separating, recovering, and reusing components of solid waste that may still have economic value is called 'recycling'.

One type of recycling is the recovery and reuse of heat energy, a practice discussed separately in incineration. Composting can also be considered a recycling process since it reclaims the organic parts of solid waste for reuse as mulch or soil conditioner. Still other waste materials have potential for reuse. These include paper, metal, glass, plastic, and rubber, and their recovery is discussed here.

- **SEPARATION:** To recycle materials, they must first be separated from the raw waste. This can occur at the source (like curb side separation by citizens) or at central facilities.

Source separation is done by individuals who sort items like newspapers, bottles, cans, and garbage separately for collection. Some places allow commingling of non-paper recyclables. However, municipal collection of source-separated waste is more expensive than regular refuse collection. Alternatively, recyclables can be separated from garbage at central processing plants, but this can lead to lower-quality materials due to contamination. Best practice involves having citizens sort waste into specific categories, such as newspapers, magazines, commingled metals, glass, plastics, and garbage.

- **REUSE**
  - Recovered broken glass can be crushed and used in asphalt pavement.
  - Colour-sorted glass is crushed and sold to glass manufacturers as cullet, an essential ingredient in glassmaking.

- Steel cans are baled and shipped to steel mills as scrap, and aluminium is baled or compacted for reuse by smelters.
- Aluminium is one of the smallest components of municipal solid waste, but it has the highest value as a recyclable material.
- Recycling of plastic is a challenge, mostly because of the many different polymeric materials used in its production.
- Mixed thermoplastics can be used only to make lower-quality products, such as “plastic lumber.”
- Old newspapers are sorted by hand on a conveyor belt to remove corrugated materials and mixed papers. They are then baled or loose loaded into trailers for shipment to paper mills, where they are reused in the making of more newspaper.
- Mixed paper is separated from corrugated paper for sale to tissue mills.
- Rubber is sometimes reclaimed from solid waste and shredded, reformed, and remoulded in a process called devulcanization.
- Discarded tires may be employed as swings and other recreational structures for use by children in “tire playgrounds.”

Recycling by itself will not solve the growing problem of solid-waste management and disposal. There will always be some unusable and completely valueless solid residue requiring final disposal.



## **METHODS FOR WASTE DISPOSAL**

There is also wastewater treatment, also called sewage treatment, which refers to the removal of impurities from wastewater, or sewage, before it reaches aquifers or natural bodies of water such as rivers, lakes, estuaries, and oceans.

Water pollution is caused primarily by the drainage of contaminated wastewater into surface water or groundwater, and wastewater treatment is a major element of water pollution control.

It used to be said that “the solution to pollution is dilution.” When small amounts of sewage are discharged into a flowing body of water, a natural process of stream self-purification

occurs. Densely populated communities generate such large quantities of sewage, however, that dilution alone does not prevent pollution. This makes it necessary to treat or purify wastewater to some degree before disposal.

Sewerage system, network of pipes, pumps, are used for the collection of wastewaters, or sewage, from a community. Modern preferred system of sewerage systems falls under two categories:

- a. Domestic and industrial sewers
- b. Storm sewers.

Sometimes a combined system provides only one network of pipes, mains, and outfall sewers for all types of sewage and runoff.

## **POLLUTION**

Video Reference: <https://www.youtube.com/watch?v=1znFyUKVON4>





# **MICROFINANCE EXECUTIVE - SOFT SKILLS**

**SECTOR: BANKING , FINANCIAL SERVICES & INSURANCE**

**QP CODE: BSC/Q24O1**

**COURSE CURRICULUM:  
PATHWAYS TO PROGRESS**

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# CHAPTER 1 - THE GREETING GAME

## LEARNING OBJECTIVES

- Demonstrate the correct way of greeting each other.
- Apply corporate grooming norms.

## Modus Operandi

### A

This is how the Greeting game will be played:

- Dividing the class into two halves.
- Making each group stand in a straight line.
- One person from each of the groups must go all the persons in the other group, shake hand with him/her, while saying 'Hello' the person  
Thus, there are two people who are doing this activity in parallel.
- Continuing with this activity till every participant has got an opportunity to greet all the others in the room.

### B

This is how the Grooming game will be played:

- Each participant will write the name of the male participant and the name of the female participant who he/she feels is the best groomed.
- The names will be collected.
- The persons receiving the maximum number of votes will be honoured as the 'Best Groomed Male/Female' in the class.
- In case of a tie, the trainer's decision will be final.
- There should be unique winners in different days of the program, as far as possible.

# CHAPTER 2 - MARKETING TECHNIQUES FOR EFFECTIVE GROUP MEETINGS

## LEARNING OBJECTIVES:

- List steps for techniques to make group meetings effective (for sourcing)
- Create a blueprint of a customized technique, ready for use.
- Explain how sourcing can improve, based on these techniques.

Following are some suggested steps that can help in creating techniques for campaigns. This is very important as the more the number of prospects, the higher the chances of conversion.

1. **Define Your Target Audience:** Identify specific demographics and characteristics for both online and offline channels. Utilize data analytics for online campaigns and consider local market insights for offline efforts.
2. **Craft a Compelling Value Proposition:** Tailor your value proposition to suit both online and offline audiences. Use online platforms to showcase multimedia content like videos and infographics while emphasizing face-to-face interactions for offline campaigns.
3. **Build a Quality Mailing List / Online Targeting:** For offline efforts, create a targeted mailing list based on local demographics. For online campaigns, leverage digital tools for targeted online advertising, utilizing parameters such as location, interests, and online behaviour.
4. **Design Eye-Catching Direct Mail Materials / Digital Content:** Create visually appealing direct mail materials for offline channels. For online efforts, design engaging digital content such as banners, social media graphics, and interactive web elements.
5. **Personalize Your Communication:** Utilize personalization for both online and offline channels. Incorporate recipient names in direct mail materials and employ personalized email marketing strategies for online campaigns.
6. **Provide Multiple Contact Channels:** Offer various contact options for both online and offline audiences. Include phone numbers and physical addresses for offline campaigns and provide email addresses and online inquiry forms for digital channels.

7. **Utilize Digital Marketing Channels / Leverage Offline Events:** Enhance your direct mail campaign with a digital presence. Use targeted online advertising, social media, and email marketing for online efforts. For offline, consider hosting community events, workshops, or seminars to connect with your audience directly.
8. **Track and Measure Results:** Implement tracking mechanisms for both online and offline responses. Use tools like QR codes on offline materials for easy online tracking. Utilize analytics for digital campaigns and traditional metrics for offline efforts.
9. **Follow Up Promptly:** Implement efficient follow-up processes for both online and offline inquiries. Utilize email sequences for online leads and personal outreach for offline engagements.
10. **Comply with Regulations:** Ensure compliance with regulations for both online and offline activities. Respect privacy laws and obtain consent for both digital and physical communication.

By integrating both offline and online strategies, you can create a comprehensive direct marketing campaign for microfinancing that maximizes reach and impact across various channels.

Now look at the following Videos and try and relate these techniques with the Sourcing steps that are explained.

1. <https://www.youtube.com/watch?v=cPJAYQunENs>
2. <https://www.youtube.com/watch?v=ghJWNxTaPdU&t=319s>

# CHAPTER 3 - I CAN WRITE IN ENGLISH

## LEARNING OBJECTIVES:

- Explain the given statements/phrases.
- Able to use the given phrases as required.

## Introduction:

The following phrases are some of the most used ones in the English Language. Correct usage of these sentences can take you a long way in building your confidence in being able to speak in English language.

First you will need to understand the meaning of the phrases.

We are also sharing some sentences for each phrase to help you understand the meaning and usage of each.

Next, you will need to frame similar sentences and use these phrases.

## Session 1

1. How are you?

Question: "We haven't caught up in a while. How are you doing?"

Response: "I'm doing well, thank you. How about you?"

2. I don't know.

Question: "Excuse me, could you please pass the salt?"

Response: "Oh, I'm sorry. Here you go."

3. Excuse me.

4. Can you help me?

Question: "I'm having trouble with my computer. Can you help me fix it?"

Response: "Certainly, I'd be happy to help. Show me the issue."

Nice to meet you.

5. Nice to meet you.

Question: "Have you met our new seller, Jessica?"

Response: "No, I haven't. Nice to meet you, Jessica!"

6. Good morning/afternoon/evening/night.

Question: "What time is our meeting tomorrow morning?"

Response: "Good morning! Our meeting is at 10 AM tomorrow."

See you later.

7. See you later.

Question: "Are you leaving the office now?"

Response: "Yes, I have to go. See you later!"

8. Have a good day.

Question: "Any plans for the weekend?"

Response: "Not much, just relaxing. Thanks, have a good day!"

9. No problem.

Question: "Sorry for the delay in the project submission."

Response: "No problem at all, these things happen."

10. How's it going?

Question: "I heard you started a new project. How's it going?"

Response: "It's going really well, thanks for asking!"

11. I don't understand.

Question: "Could you explain the process again? I don't understand."

Response: "Certainly, let me break it down for you."

12. Can you repeat that?

Question: "I missed what you said. Can you repeat that?"

Response: "Of course, I'll repeat it for you."

13. How much is this?

Question: "I'm interested in buying this. How much is it?"

Response: "This item is Rs.20."

14. What time is it?

Question: "I forgot my watch. What time is it now?"

Response: "It's 3:30 PM."

15. Where is the bathroom?

Question: "Excuse me, where is the nearest bathroom?"

Response: "Go down the hall and take a left. It's on your right."

16. I'm happy/sad.

Question: "You seem really cheerful today. Are you happy about something?"

Response: "Yes, I just got some good news. I'm happy!"

17. How can I help you?

Question: "I'm a bit lost in this project. How can I help you?"

Response: "I appreciate your offer. Let's work on this together."

18. Let's schedule a meeting.

Question: "There's a lot to discuss about the upcoming project. Should we schedule a meeting?"

Response: "Absolutely. Let's schedule a meeting for tomorrow."

19. I'll get back to you on that.

Question: "Do you have an answer to the client's query?"

Response: "I need to gather more information. I'll get back to you on that."

20. Can you send me the report?

Question: "The deadline is approaching. Can you send me the report as soon as possible?"

Response: "Certainly, I'll send it to you by the end of the day."

21. What's the status of the project?

Question: "I've been away for a week. What's the status of the project?"

Response: "We've made good progress, and everything is on track."

22. I need your input on this.

Question: "I'm finalizing the proposal. I need your input on the budget section."

Response: "Sure, I'll review it and get back to you with my thoughts."

23. We need to meet the deadline.

Question: "The client is expecting the deliverables by Friday. We need to meet the deadline."

Response: "Agreed. Let's prioritize and ensure we meet the deadline."

24. I appreciate your hard work.

Question: "I noticed your extra effort on the project. I appreciate your hard work."

Response: "Thank you. It's a team effort, and I'm glad to contribute."

25. What are your thoughts on this?

Question: "I presented the proposal. What are your thoughts on it?"

Response: "I think it's well-thought-out. I support the proposal."



## Session 2

1. I'll take care of it.

Question: "There's a minor issue with the website. Can you handle it?"

Response: "Don't worry. I'll take care of it right away."

2. Could you please clarify?

Question: "I didn't quite understand the last point. Could you please clarify?"

Response: "Certainly, let me explain that in more detail."

3. Let's discuss this in the meeting.

Question: "I have some concerns about the project. Can we discuss this now?"

Response: "It's an important discussion. Let's discuss this in the meeting tomorrow."

4. I'm running late for the meeting.

Question: "Are you coming to the meeting? It's about to start."

Response: "I got caught up in another task, and now I'm running late for the meeting."

5. Can you update me on your progress?

Question: "It's been a while since we last talked. Can you update me on your progress?"

Response: "Sure, let me give you a brief overview of what we've accomplished."

6. This is a priority.

Question: "We have several tasks on our plate. What should we prioritize?"

Response: "This particular task is a priority. Let's focus on completing it first."

7. What's the agenda for the meeting?

Question: "I just joined. What's the agenda for today's meeting?"

Response: "We'll be discussing the quarterly goals and progress updates."

8. I'll share the document with you.

Question: "Have you completed the report? I need to review it."

Response: "I haven't finished yet, but once it's done, I'll share the document with you."

9. I'll forward this to the appropriate person.

Question: "There's a customer complaint. What should we do about it?"

Response: "I'll take care of it. I'll forward this to the appropriate person for resolution."

10. This requires our immediate attention.

Question: "I received an urgent email. What should I prioritize?"

Response: "This matter requires our immediate attention. Let's address it first."

11. What are the next steps?

Question: "We've completed the initial phase. What are the next steps in the project?"

Response: "Now that we have the groundwork, let's discuss the next steps."

12. I'm attending a workshop tomorrow.

Question: "Will you be available for a meeting tomorrow afternoon?"

Response: "I'm sorry, I won't be available. I'm attending a workshop tomorrow."

13. I'm looking forward to your feedback.

Question: "I reviewed the proposal. What are your thoughts on it?"

Response: "I value your opinion. I'm looking forward to your feedback."

14. I'm here to help if you have any questions.

Question: "I'm new to the team. Who can I go to for help if I have questions?"

Response: "Feel free to reach out. I'm here to help if you have any questions."

15. I'll make a note of that suggestion.

Question: "I have a suggestion for improving our workflow. What do you think?"

Response: "That's a valuable suggestion. I'll make a note of it for consideration."

16. It's crucial to meet our targets.

Question: "We have a tight schedule. Should we adjust our targets?"

Response: "No, it's crucial to meet our targets. Let's work efficiently to achieve them."

17. Please keep me informed of any updates.

Question: "I'm not directly involved, but I'd like to stay informed. Can you keep me updated?"

Response: "Absolutely. I'll make sure to keep you informed of any updates."

18. I'm glad to be working with you.

Question: "How's your experience working with the new team so far?"

Response: "I'm glad to be working with everyone. It's been a positive experience."

19. This is a great opportunity for us.

Question: "Should we take on this challenging project?"

Response: "Yes, I believe it's a great opportunity for us to showcase our skills."

20. I'm confident we can overcome this challenge.

Question: "This project has some difficulties. Do you think we can handle it?"

Response: "Absolutely. I'm confident we can overcome this challenge with careful planning."

21. I'll check in with you later.

Question: "Will you be available for a quick chat later in the day?"

Response: "I have a busy afternoon, but I'll check in with you later."

22. I'm happy with the progress we've made.

Question: "How do you feel about the team's progress on the project?"

Response: "I'm happy with the progress we've made so far. Everyone is doing a great job."

23. I'm excited about the opportunities ahead.

Question: "What are your thoughts on the new project?"

Response: "I'm excited about the opportunities ahead. It's a challenging but promising project."

24. Can you provide a brief overview of your findings?

Question: "I heard you conducted a market analysis. Can you provide a brief overview of your findings?"

Response: "Certainly. Let me give you a brief overview of the key findings."

25. Let's celebrate our achievements.

Question: "We successfully launched the product. What should we do to acknowledge this accomplishment?"

Response: "Let's gather the team and celebrate our achievements."

26. Let's work together to find a solution.

Question: "We've encountered a problem in the project. What's our approach to resolving it?"

Response: "Let's work together to find a solution. I believe we can brainstorm and come up with a plan."

# CHAPTER 4 - INTRODUCING SELF

## LEARNING OBJECTIVES:

- Identify key elements that should be a part of a good introduction.
- Include key elements that provide a well-rounded picture of who you are.
- Write an impressive introduction for yourself.
- Introduce yourself while greeting others.

When crafting a paragraph to introduce yourself, consider including key elements that provide a well-rounded picture of who you are. Here are some tips to help you create an engaging self-introduction:

- **Begin with a Greeting:**

Start your introduction with a friendly greeting. For example, "Hello" or "Hi" is often appropriate, depending on the context.

- **Name and Background:**

Clearly state your name and perhaps provide a bit of context, such as your current role or field of study. For instance, "I'm [Your Name], a [Your Occupation or Student]."

- **Professional or Academic Background:**

Share a brief overview of your professional experience or academic background. Mention any relevant accomplishments or areas of expertise. For example, "With a background in [Your Field], I have experience in [Specific Skills or Industries]."

- **Passions and Interests:**

Include a sentence or two about your personal interests or passions. This adds a human touch to your introduction. "Outside of work/studies, I'm passionate about [Your Hobbies or Interests]."

- **Connection to the Context:**

The introduction is for a specific purpose or context, briefly mention your connection to it. For example, "I'm excited to be here because [Reason for the Introduction]."

- **Unique Qualities or Characteristics:**

Highlight a unique quality or characteristic that sets you apart. This could be a skill, experience, or personal trait. "One thing that defines me is my ability to [Your Unique Skill or Trait]."

- **Future Goals or Aspirations:**

Conclude by briefly mentioning your future goals or what you hope to achieve. "Looking ahead, I aspire to [Your Future Goals or Aspirations]."

- **Closing Statement:**

End your introduction with a closing statement. Express enthusiasm about connecting with others or participating in the specific context. For instance, "I'm looking forward to meeting and collaborating with all of you."

**Remember, the tone and level of detail may vary depending on the setting. Whether it's a professional environment, a casual gathering, or an academic setting, tailor your introduction accordingly.**

Keep it concise, positive, and authentic to make a memorable first impression.

# CHAPTER 5 - WHATSAPP FOR COMMUNICATION

## LEARNING OBJECTIVES:

- Discuss the importance of caution while using WhatsApp for corporate communication.
- Use WhatsApp as an effective mode of communication.

In a vibrant start-up, Gurvinder, a young and enthusiastic marketing coordinator, was extremely excited about the launch of a ground-breaking campaign for a new product. As the team brainstormed ideas, she received a witty and cheeky message from her friend, Javed. Intending to share a light-hearted joke about office antics, she accidentally forwarded it to the entire project team on their dedicated WhatsApp group. Unfortunately, this group had a representative from the client's organisation also. The team, including project leads and the CEO, saw the unintended jest. Tension immediately filled the air as the team realized the potential impact on the project's perception and their professional relationships.

The next morning, an emergency meeting was called to address the situation. Emma, feeling a mix of embarrassment and regret, took ownership of the error. The CEO expressed concern about maintaining a professional image, especially during a critical project phase.

To rectify the situation, the team decided to send a follow-up message, acknowledging the mistake, and emphasizing their commitment to the project's success.

Surprisingly, the client responded positively, appreciating the human side of the team. The incident, though initially awkward, became an unintentional icebreaker, fostering a more open and collaborative atmosphere among sellers.

The company learned valuable lessons about the importance of double-checking recipients on messaging platforms, especially when dealing with professional communication. They also implemented a brief training session on maintaining a balance between a friendly work environment and the need for professionalism.

- Do you think such situations do happen in real life?
- How can such situations be averted?

## WHATSAPP - TOOL FOR CORPORATE COMMUNICATION

WhatsApp proves to be a potent tool for corporate communication when employed strategically.

Below are various ways to effectively leverage WhatsApp in a corporate setting:

- **Collaborative Work:** Establish specialized groups for project teams or departments, promoting real-time communication, file sharing, and updates. This enhances collaboration and maintains everyone in the loop.
- **Timely Announcements:** Utilize WhatsApp to distribute urgent updates, announcements, or crucial news to the entire team. This guarantees swift dissemination of critical information.
- **Swift Decision-Making:** Capitalize on the instant nature of WhatsApp for expeditious decision-making. Teams can discuss ideas, provide feedback, and reach decisions rapidly, particularly in time-sensitive situations.
- **Event Coordination:** Form groups for coordinating events, workshops, or team-building activities. WhatsApp serves as a convenient platform for discussing logistics, sharing updates, and managing RSVPs.
- **Customer Support:** Leverage WhatsApp for customer support by providing a dedicated number for inquiries and assistance. This facilitates direct and personalized communication with clients or customers.
- **Efficient Document Sharing:** Share documents, presentations, and other files directly through WhatsApp. This simplifies access to important resources without the need for additional email exchanges.
- **Employee Engagement:** Engage employees through WhatsApp by sharing company updates, achievements, and behind-the-scenes glimpses. This fosters a sense of belonging and keeps employees informed about the organization's progress.
- **Training and Development:** Establish groups for training sessions or professional development discussions. This is particularly useful for remote teams or employees not physically present in the office.
- **Surveys and Feedback:** Conduct quick surveys or gather feedback from sellers through WhatsApp. This informal approach encourages more candid responses compared to formal surveys.
- **Task Assignments and Tracking:** Assign tasks and track progress within WhatsApp groups. This proves to be an efficient way to keep everyone accountable and informed about the status of ongoing projects.
- **Broadcast Lists for Announcements:** Employ the broadcast list feature to send messages to multiple contacts without creating a group. This is useful for one-way communication, such as company-wide announcements.

- **Employee Recognition:** Utilize WhatsApp to publicly recognize and appreciate employees for their achievements. This contributes to a positive work culture and motivates others.
- **Crisis Communication:** In times of crisis or emergencies, WhatsApp can serve as a quick and direct communication channel for disseminating important information to employees.
- **Integration with Other Tools:** Integrate WhatsApp with other corporate tools and platforms for seamless communication. Some companies use it in conjunction with project management tools or CRM systems.
- **Privacy and Security Measures:** Establish clear guidelines on the use of WhatsApp for corporate communication and ensure that privacy and security measures are in place, especially when dealing with sensitive information.

Explore as many of these features as possible, to understand how these can be used to increase efficiency at work.



# CHAPTER 6 - ACTIVE LISTENING

## AN ACTIVITY

### LEARNING OBJECTIVES:

- Apply Active Listening Skills

### Game 1

#### 1. Prepare Bingo Cards with participants:

- Create Bingo cards with 5x5 grids.
- In each square, write down a prompt related to active listening skills. For example:
  - Maintains eye contact.
  - Nods in agreement
  - Asks clarifying questions.
  - Paraphrases the speaker's message.
  - Provides constructive feedback.
  - Avoids interrupting.
  - Demonstrates empathy, etc.

#### 2. Rules of the game:

- The goal is to actively listen during discussions.
- Mark off the corresponding squares on their Bingo cards when you observe someone demonstrating the listed active listening behaviors.

#### 3. Discussion Rounds:

- Divide the class into groups of 4/5
- Each participant will narrate a story/ an experience.
- During the narration one participant from the group will be the 'observer'
- All the others actively listen to the speakers during these rounds.
- The observer to mark off the corresponding squares on his/her Bingo cards when he/she observe active listening behaviors.
- Every time a complete row, column, or diagonal of marked squares is ticked off, it is a Bingo.
- Celebrate the winners and ask them to share their observations and experiences.

### Reflection:

- What active listening behaviors were most observed?
- How active listening behavior contributed to effective communication.

## Game 2

This game is based on the various behaviors related to active listening.

These are:

1. "Providing empathetic responses"
2. "Asking open-ended questions"
3. "Maintaining eye contact"
4. "Reflecting on the speaker's emotions"
5. "Paraphrasing the speaker's message"
6. "Using non-verbal cues effectively"

### Instructions:

- One participant must act out one behaviour without speaking, while the other participants guess the active listening behavior being demonstrated.
- Participant must share the chosen behavior with the trainer.
- Time limit is 2 minutes for each turn.
- In case of a miss, trainer can pass it on to the next participant or give out the answer.
  
- Each participant must enact at least one behavior during the session.
- One behaviour can be enacted only once until the entire set of 6 bahaviours has been enacted once.

### Reflection:

- Summarize the key active listening behaviors highlighted during the game.
- Encourage participants to apply these behaviors in their everyday interactions.

# CHAPTER 7 - MY SALES PITCH

## ROLEPLAYS – BUYER PERSPECTIVE

### LEARNING OBJECTIVES:

- Identify the needs of a Buyer.
- Match needs of the buyer to available product and their benefits for the buyer
- Apply steps of selling to complete a successful sale.

### Instructions:

- There are 6 role-play scenarios.
- Class to be divided into groups of 6.
- Role-Play scenarios need to be selected from the given ones.
- Each scenario needs to be enacted twice.
- Each scenario needs to have one buyer, one seller and observers.
- For the second enactment, the buyer becomes the seller and vice versa.
- Observers need to rate seller based on the given format.
- The buyer/seller combination needs to be different for each role-play.
- Time limit is 25 minutes for each turn – 5 minutes for preparation, 10 minutes for enactment, 10 minutes for sharing observations.
- Trainer needs to show-case one scenario for each group as a seller.

## OBSERVATION SHEET

Scenario Name		Seller Name	
Sl. No.	Observable Demonstrated Behaviour	Yes/No	Remarks
1	Did Seller make eye contact with the Buyer?		
2	Did Seller smile at the Buyer?		
3	Did Seller greet the Buyer?		
4	Did Seller seem aware of requirement of the Buyer?		
5	Did Seller listen carefully to the Buyer's objection?		
6	Did Seller check his own understanding of the objection by asking relevant questions to the Buyer?		
7	What did Seller do/say to convert the objection that the Buyer presented?		
8	Did Seller check/update Buyer's contact details before leaving?		
9	Did Seller thank Buyer before leaving?		

### SCENARIOS:

**Scenario 1:** A budding entrepreneur is looking to start a small business in their community. They need a microloan to purchase initial inventory and cover operational expenses. How would you approach them to discuss the microfinancing options available?

**Scenario 2:** A local farmer is seeking financial support to expand their agricultural activities. They are looking for a microloan to invest in new equipment, seeds, and irrigation systems. How would you present the microfinancing solutions tailored to their needs?

**Scenario 3:** A group of women in the community has expressed interest in starting a small business collectively. They need microfinancing to fund their venture. How would you engage with this group and discuss the benefits of microloans for their business aspirations?

**Scenario 4:** A young student wishes to pursue higher education but lacks the financial means. They are exploring microfinancing options to fund their studies. How would you guide them through the available microloan products and repayment plans?

**Scenario 5:** An individual is operating a small home-based enterprise, such as handmade crafts or catering services. They are seeking a microloan to expand their business. How would you assess their needs and tailor a microfinancing solution to support their growth?

**Scenario 6:** A business owner operates a seasonal business, such as a beachside snack stand. They need financial assistance during the off-season to cover costs and prepare for the next peak period. How would you present microfinancing as a solution for managing their cash flow?

## SALES PITCH – ROLEPLAYS – BORROWER PERSPECTIVE

### LEARNING OBJECTIVES:

- Identify the challenges of a Borrower.
- Identify possible options to ease the challenges.
- Apply steps to plan to recover the loan.

### Instructions:

- There are 6 role-play scenarios.
- Class to be divided into groups of 6.
- Role-Play scenarios need to be selected from the given ones.
- Each scenario needs to be enacted twice.
- Each scenario needs to have one borrower, one seller and observers.
- For the second enactment, the borrower becomes the seller and vice versa.
- Observers need to rate seller based on the given format.
- The borrower/seller combination needs to be different for each role-play.
- Time limit is 25 minutes for each turn – 5 minutes for preparation, 10 minutes for enactment, 10 minutes for sharing observations.

- Trainer needs to show-case one scenario for each group as a seller.

### **SCENARIOS:**

**Scenario 1:** A small business owner, who took a microloan to start a venture, faces challenges due to economic downturns or unexpected market changes. They struggle to repay the loan. How would you approach them to discuss restructuring options or offer financial counselling to improve their repayment capacity?

**Scenario 2:** A borrower, whose income is seasonal, finds it difficult to make consistent monthly repayments. How would you work with them to create a repayment plan that aligns with their cash flow, such as adjusting repayment amounts during peak and off-peak seasons?

**Scenario 3:** A borrower faces a sudden health crisis, incurring unexpected medical expenses. This impacts their ability to meet loan repayments. How would you handle this situation, considering the borrower's urgent need for funds and their repayment challenges?

**Scenario 4:** A community, hit by a natural disaster, struggles to recover financially. Many borrowers in the community find it challenging to repay their microloans. How would you implement recovery strategies that consider the unique challenges posed by the disaster?

**Scenario 5:** In a group-based microfinance model, one member of the group faces financial difficulties, affecting the entire group's repayment dynamics. How would you navigate the group dynamics to ensure fair and effective loan recovery without causing additional stress to the struggling member?

**Scenario 6:** A borrower loses their job or experiences a significant reduction in income. They are unable to maintain their regular loan repayments. How would you assist them in finding alternative solutions, such as temporary adjustments to the repayment schedule or exploring income-generating opportunities?

**OBSERVATION SHEET**

Scenario Name		Seller Name	
Sl. No.	Observable Demonstrated Behaviour	Yes/No	Remarks
1	Did Seller make eye contact with the Borrower?		
2	Did Seller smile at the Borrower?		
3	Did Seller greet the Borrower?		
4	Did Seller verify details of the outstanding's with the Borrower?		
5	Did Seller listen carefully to the Borrower's background situation?		
6	Did Seller discuss Payment Options with the Borrower?		
7	Did seller allow the borrower to ask questions and address concerns?		
8	Did Seller clearly communicate follow-up actions or additional information?		
9	Did Seller schedule follow-up calls or communications to track progress?		
10	Did Seller thank Buyer before leaving?		





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