

Building Sustainable Credit Unions in Asia  
Serving credit unions for more than 42 years



## Empowering Cooperatives through Information & Communication Technology: Connectivity & Accessibility

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### Why Information & Communication Technology?

- Competitiveness is the key
- ICT as a tool to deliver more competitive products and services to cooperatives and its members
- ICT within the organization, giving birth to:
  - Local Area Network
  - Internet & Email
  - Website
  - ICT Trainings


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### Specific Developmental Problems that ICT should Address in the Cooperatives...

- Automated financial transactions & accounting
  - Volume of transactions: shift from manualization to automation
  - The issue of accuracy, efficiency, speed, analysis, and MIS (generation of reports)
  - Data generation (network wide)
  - The issue of different system providers (i.e. outsourced, in-house) and their continuity.
  - Expensive to develop and maintain by one local co-op

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### Specific problems...

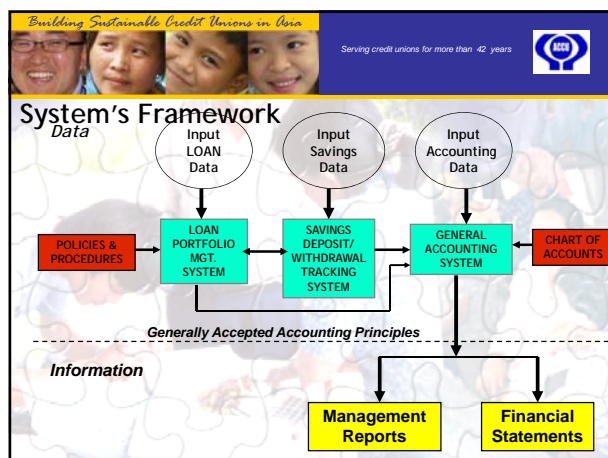
- The inconvenience of transactions “over the counter”
  - Crowding of customers during peak hours.
  - Offices are closed before 8:00 a.m. and after 5:00 p.m. and during Saturdays & Sundays
  - Proximity: Long distances to travel

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### Specific problems...

- Money Transfer
  - No access to payout centers in rural areas (money sent from other places)
  - Bank-to-bank transfer: requirement to open a bank account and pay expensive remittance fee



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## Technical Features

- ✓ Window-Based
- ✓ Available on both stand-alone & network versions
- ✓ Developed using Visual Basic 6.0
- ✓ With Microsoft Database Engine (MSDE) or Microsoft SQL Server as its Back-end Database Manager
- ✓ Crystal Report enables migration to MS Word, Excel & other file formats



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## E CU - Coop Banking System

- Automating the operations of the cooperative
  - Loan portfolio management
  - Savings tracking
  - General accounting
- Standardization
- Streamline the operations
- Member Satisfaction

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## Hindrances

- *Acceptance*
- *End-User Resistance to change*
- *Fear of layoffs due to computerization*
- *Investment Cost*
- *False expectations on automation*
- *Lack of knowledge in the complexity and impact of automation*
- *Low staff competency*
- *Inability to meet automation requirements (time, human & resources)*


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## Strategies used and Significant Accomplishments...

- *Strategies Used*
  - One standard accounting software for the network
  - To own vs. to outsource: Buy an existing software and enhance
- *Accomplishments:*
  - Currently installed in 96 cooperatives with 118 branches
  - On-going migration of the system to open-source and web-based application


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## Growth for the eCU

- *Migration to open-source system*
- *Web-base application*
- *Inter-branch capabilities*
- *Data warehousing*
- *Online member transaction*
- *SMS transactions*
- *ATM Integration*

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## ATM & Cash Cards

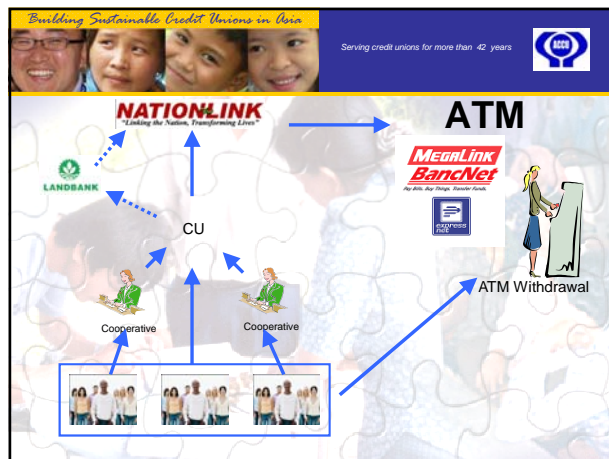
- **Strategies Used**
  - ATM & Cash Cards – to outsource the system
  - For the ATM – to join the ATM network as a non-bank
  - For the Cash Card – co-branding with a bank



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## ATM

- Settlement Bank for cooperatives thru Central Fund
- Cardholders can transact to any ATM network nationwide
  - Availability of cash anytime, anywhere
- Loan disbursement
- Attract membership
- Security



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## Cash Card

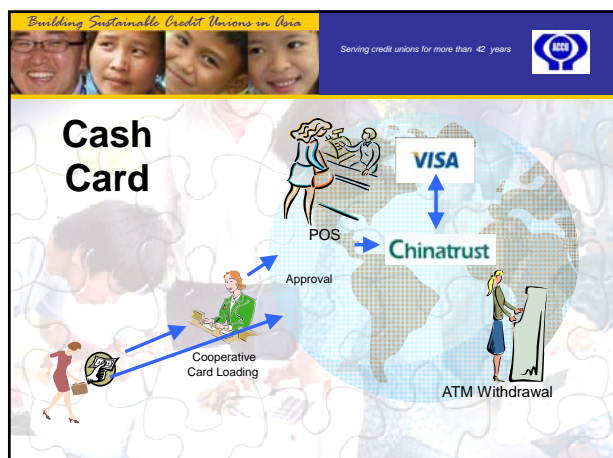
- Re-loadable money card
  - Withdraw Cash – All ATM Networks
  - VISA Debit Card – Visa Accepted Worldwide
  - Bills Payment
- Federation issuer
- Cooperatives – distributors of the cards
- Members – users of the product

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## Cash Card

- Easy cash-management
- No initial deposit
- No minimum maintaining balance
- Easy to roll-out
- Convenience with PIN Mailer
- Minimize Risk – cash-less transaction
- Hassle free
- Highly secured

Member's name (1<sup>st</sup> line)  
Coop name (2<sup>nd</sup> line)



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## ICT Solutions

- Beneficiaries
  - Cooperatives & their members
- Technology
  - Accounting software – owned
  - ATM, Cash Cards, Credit Cards, Money Transfer - outsourced
- Capacity building
  - Training provided
- Project Partners
  - Rabobank Foundation, Company) and Bankard
- Is it a pilot project?
  - Open source & web-based accounting software, MasterCard & Cash Card with VISA
- Was it scaled up?
  - ATM, WU Money Transfer

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## Website Development

Connecting co-ops through virtual networking:  
**LINKING WEBSITES**


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## Key Learning

- Owning or developing a technology versus outsourcing is a "business decision" with reference to investment requirement, in-house capability, economy of scale, potential market impact and competition.
- Financial services delivered through ICT is a "value proposition" to win and keep your customers and members. Bottom line: Does ICT create superior value in local communities?
- It is not only ICT but also "innovation-driven" ICT.

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## "ICT?"

### Key Learnings...

**"Do it Fast, Do it Right  
and Do it Cheap."**

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## Thank you very much!

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## Thank you! ACCU Team