

The following examples showcase the power of CX initiatives to enhance the lives of emerging consumers, while also delivering outsized returns to businesses.

Faster loans for rural micro enterprises in India

Dvara's mission is to broaden financial inclusion in India to low-income individuals in remote rural areas where access to banking and insurance remains low. Dvara believes micro loans are one of the key tools to help end the cycle of poverty as they empower small businesses to fund income-generating activities and become agents of their own futures.



With 85% of India's 460 million workforce engaged in the unorganised sector⁴, access to formal credit is out of reach for many.

This issue is exacerbated in rural and remote areas where a significant number of micro and small businesses operate, including manufacturers, wholesalers, traders, and retailers. A lack of formal documentation, few or no bank branches and literacy issues constrict access to loans.

These businesses depend on local money lenders who often charge exorbitant interest rates in order to meet their needs for working capital.

One solution is well-designed, affordable micro loans tailored specifically for India's most vulnerable.

The customer problem

Dvara developed a new loan product for micro enterprises in rural India. Soon after launch, it became evident that the customer experience needed an overhaul for it to become successful.

The LeapFrog team provided advice and guidance to the Dvara product team in mapping the customer journey. Doing so revealed the stringent risk assessment process for unsecured loans required several visits to the customer's business premises by Dvara field officers to collect observational data. These visits were not only inconvenient to customers but also increased the turnaround time of loans and disbursement. These delays affected working capital requirements for customers.

⁴ Dvara: Social Protection Initiative

"The 'Customer Mapping Experience' project really helped us understand where we were going wrong in terms of customer expectations and what we were providing or delivering.

"We learnt that due to the existing processes, the average time taken to disburse a loan was almost 12-14 days and this was the biggest obstacle for growth. The customer mapping exercise enabled us to understand how to reduce the fat in the process and become leaner and more agile."

- LVLN MURTY,
CEO DVARA KGFS

The CX initiative

Addressing the need to reduce visits, Dvara created an automated platform called KGFS Assist, which used digital credit templates for underwriting rather than conventional, manual methods. In doing so, loans for micro enterprises were approved much faster with less dependency on documents.

Now, the entire end-to-end process from lead generation to loan disbursement is digital, which has reduced operational costs. Businesses can access working capital within days and Dvara has broadened its reach and scaled-up its business. Micro enterprise loans have continued to grow over the last 1.5 years and are a big contributor to overall revenue.

Impact

Access to affordable, timely loans for micro enterprises in rural India with minimal documentation

Performance

2x loan volume growth
over last year

+ Turn-around times for loan disbursement
reduced from 10-12 days to 2 days

"I started a provision shop with a loan from a local moneylender. I had to pay very high-interest rates. I was getting into a debt trap because of the interest I was paying and was somehow managing to run the shop. It was during this time that I came to know about Dvara KGFS and had approached them for a loan. The loan enabled me to turn around the financial situation I found myself in and set me on a path to grow my business. I worked very hard to develop the shop, and within years, I became financially stable and ended up buying my own house as well."

- CUSTOMER, INDIA