PRODUCT DEVELOPMENT GUIDELINES

The aim of this document is to provide with the structured steps and processes that FSP ABC should follow to integrate client centricity at the heart of identifying, designing, testing and scaling new products that meet target clients need while ensuring long-term sustainability of the portfolio. Well-tailored services can help clients meet daily needs, achieve personal and business goals, and build resistance against vulnerability.

[Anonymized content from the real case of an institution]

PRODUCT DEVELOPMENT GUIDELINES – FSP ABC

Introduction

Strategy and target group

Preparing to enter a new phase in its journey and set ambitious five-year impact targets, FSP ABC has identified one of its strategic priorities to be **Innovative Product Development** – the Creation of financial products and associated delivery channels that leverage internal learnings, industry best practice, technology, and research that allow us to serve our existing clients better, and/or reach new clients. The goal of this strategic priority is to enable clients to achieve their business and financial goals through appropriately designed and delivered financial products by 1) Developing new client-centric products that meet the needs of our target segments –women living in poverty and rural and hard to reach areas and 2) Use of appropriate alternative delivery channels (ADCs) and Digital Financial Services (DFS).

What is client-centric design

Client-centric design is the process of building your product or service based on the wants, needs, and challenges of your clients. Well-tailored services can help clients meet daily needs, achieve personal and business goals, and build resistance against vulnerability. As new clients engage with formal financial services, they build the capability to interact responsibly with these services. But instilling these clients with trust and confidence in the provider and in formal financial systems is not automatic. Trust and confidence are outcomes of successful design and an embedded client-centric approach.

Purpose of this guideline

Client-centricity is a concept that practically everyone agrees with, yet it takes a lot more than good intentions to implement. To effectively put the needs and aspirations of clients at the center of business strategies and decision-making, FSP ABC must invest significant effort and resources to change not only business operations but also organizational mindsets. The aim of this document is to provide with the structured steps and processes that FSP ABC should follow to integrate client centricity at the heart of identifying, designing, testing and scaling new products that meet target clients need while ensuring long-term sustainability of the portfolio.

How to use this guide

The document focuses on three major sections in detail – 1. Identifying right products to develop that are aligned with FSP ABC's mission and scale objectives, 2. The client-centric design approach that ensures any new product/processes cater for clients needs and preference, and 3. Systemic approach for capturing learnings and knowledge through monitoring, review and documentation. The principals of these three sections should be adhered by in any new product/process/channel innovation.

The management team should use this document to implement product development. Relevant staff must get oriented on the new process and procedures. Departments such as HR, Finance, Audit, Monitoring, IT all has a role to play in successful implementing, monitoring and scaling of new products. These departments must also be oriented on this guideline and their respective responsibilities.

Section 1: Identifying and Assessing New Opportunities

New opportunities or ideas for product development may come different ways such as –

a. Demands from current client
b. Observation from field staff
c. Potential a partnership project with other program (such as Agriculture, Food Security or Women Empowerment)
d. People and organizations (such as donors or private sector partners) may also present with ideas and opportunities.

While assessing a potential new opportunity, our mission should be the first guiding principal. Secondly, the new product idea/opportunity must be at least scalable and sustainable from a business perspective. Additional issues to consider are- whether the new segment or proposed project can be targeted within an existing operational area or will require setting up additional branches; whether additional resources in terms of staff, budget and IT system will be required, etc. The section below discusses a few of these points to think about while choosing new product opportunities.

Mission Alignment

- Is this project benefiting women living in poverty? In rural areas?
  - If not, does that somehow feed into downstream support of women?
  - If not, can you make it do so?
- What is women's role in this action?

Scale and Sustainability

- How many people are involved in this activity (e.g. how many farmers/workers in a particular sub-sector)? How many are potential clients? Does it pass the critical mass for scale and sustainability?
- What financial services are available to them now? What are the gaps? Is there demand for financial services for the segment/activity?
- Is there a business case for the product? Can the loan portfolio grow enough to cover its costs? If there are dependency with donor-funded non-financial services (training, input, grant etc.) will the financial product likely to survive if beyond the donor funding period?

Resources

- Does FSP ABC have the capacity to take on the new project/product? Are there key staff/leadership in place?
- Do other support departments/teams (IT, Training etc.) have the capacity to provide necessary support?
- Are there other projects/priorities that will take precedence (e.g. transformation)?
- Is there already a budget for or is it possible to budget for essential product development activities?

These questions/criteria can serve as a filtering and prioritizing tool for the country product committee or the approver to decide on which new products and services to diversify their portfolio with.

Section 2: Technical Approach and Methodology to Designing New Products

Phase	Activities	Deliverables	Timelines
Phase I: Desk Review and Planning	• Market assessment to identify financing gap • Competitor analysis and PEST analysis	• Desk research report • Partnership ToRs and contracts if needed	1-2 weeks

	• Partner scoping, selection, roles, and responsibility definition • Evaluation of mission and strategy alignment and development of a business case	• Product business case hypothesis	
Phase II: Quantitative Market Research and Client Segmentation	• Quantitative research planning (research sampling, tool, etc.) • Data collection • Data analysis and client segmentation • Identification of priority segments(s)	• Research plan • Research tool/ questionnaire • Collected data (cleaned) in Excel/SPSS • Client segmentation report	7 weeks
Phase III: Qualitative Research Through Human-Centered Design	• Research Plan • Focus Group Discussions (FGDs) and In-Depth Interview (IDI) • Behavior needs and preferences • Identify appropriate channel of delivery • Design 4-5 prototypes • Engage the clients to identify 2-3 prototypes to pilot	• Research plan including tools, and sample • Market research report including 5 product prototypes • Final documented and approved 2-3 product prototypes ready for pilot	9 weeks
Phase IV: Pilot testing	• Pilot plan • Pilot 2-3 prototypes • Periodically review performance • Document all target, results, and learnings	• Pilot plan • Monitoring framework, monitoring plans, and reporting structure • Communications plan and materials • Periodic pilot review and performance report • Refinements of the prototype	6-12 months
Phase V: Scaling	• Develop Scaling plan and Train Trainers • Scale and Regular review of product performance and refinement	• Scaling plan • Training of trainers • Monitoring and refinement reports	12-24 months

In this guideline, the product development process is phased into 5 steps as illustrated below:

Phase I: Desk Review

To make a data-driven decision, the product development team should conduct secondary research on various contextual aspects including Market assessment to identify financing gap, Competitor analysis, Political, Economic, Social, and Technological (PEST) analysis, Partners scoping, selection, roles and responsibilities definition and Evaluation of mission and strategy alignment. This will include a review of industry reports on financial inclusion levels and the drivers, financing gaps, analysis of key players in the provision of both formal and informal financial services, regulation guidelines on savings and lending practices. Based on the understanding of the context in which the product will be used, the team should evaluate if the envisioned product is aligned with FSP ABC mission and strategy, using the list of questions identified in the first section. A generic business case should be developed for the envisioned product.

After completion of the desk review report, the team should conduct partner scoping which will involve identifying collaboration opportunities depending on product and channel envisioned. Some of the possible partnerships would be with research and consulting firm(s), credit bureaus, a mobile network company or fintech firms. Wherever relevant, a competitive evaluation/ bidding process should be done based on a detailed Terms of Reference (ToR) and internal evaluation. Clear roles and responsibilities should be documented including expectations and deliverables.

Deliverables	• Desk review report • Partnership ToRs contracts • Product business case
Timeline	• 2 weeks excluding partner contracting
Responsibility	• FSP ABC Product Manager- reviewer • Product Development Team & Managing Director – Implementation

This guideline assumes that phase II and III will most likely be executed by a consulting firm with main support from the Product /Business Development lead and Managing Director and any other relevant department.

Phase II: Quantitative Market Research and Client Segmentation

This phase will apply for cases where primary information collection is necessary. In cases where segmentation can be done using existing MIS data, data analysis can be done by FSP ABC staff or 3rd party consultant/analyst upon signing Non-disclosure Agreements.

At this stage, the Consulting team should develop a research plan which will include sampling method, sample size, research areas, research timeline, and the intended research tools mostly a questionnaire. In collaboration, FSP ABC Product team should review and give feedback to the Consulting team. The agreed sample size should be representative of the target population.

FSP ABC team and consultants should collaborate closely to mobilize field data collection. After data collection is completed, which may take 1 to 2 weeks depending on the sample size and the enumerators, the contestants will perform data analysis and share report(s) identifying the main client segments and their differences in areas such as demographics, psychographic, behavioral segmentation, and geographic where applicable. This analysis should further identify segments that FSP ABC can treat with priority for the envisioned product. By the end of this phase, there should be a complete Client Segmentation Report including all other research findings which should be reviewed by the management.

Deliverables	• Research plan • Research tool/questionnaire • Collected data in Excel/SPSS • Client segmentation report
Timeline	• Maximum of 7 weeks
Responsibility	• FSP ABC Product Manager- reviewer • Product Development Team & Managing Director - Support and review • Consultant – Implementation

Phase III: Qualitative Research Through Human-Centered Design

The objective of this phase is to deep dive for the priority segment identified in Phase I, and further understand their needs, preference, technology usage level and preferred delivery channel, attitude, values, biases among others. The qualitative approach should be based heavily on behavioral economics and user-centric design techniques – such as the Human Centered Design (HCD) approach. To gain an in-depth understanding of the target segments, the consultant should use different methodologies- such as - Key Informant Interviews (KIIs), Focus Groups Discussion (FDGs), participatory rapid appraisal (PRA) tools etc. Seasonality analysis can help in understanding: nature and seasonality of cash flows, asset ownership of the priority segments, and current usage of financial services including savings and credit. Key areas/regions of research and the number of respondents (sample size) should be identified by the consultant and FSP ABC management.

The deliverables from this phase is the detailed market research and need analysis report incorporating the Client Segmentation Report and detailed insights on client journey mapping and (using) from the qualitative research. This report will guide in the development of up to 5 product prototypes.

The prototypes will allow an opportunity for idea and features exploration before completing the product development. FSP ABC management will provide detailed feedback to each of the prototype (through a workshop) and discuss pros and cons of each to identify or modify up to three prototypes to pilot. Upon approval, the consultants may engage potential clients for a final prototype validation. The top 2-3 prototypes should proceed to the pilot stage with approvals.

To finalize this phase, the 2-3 product prototypes should be documented including all the features, processes, policies, and operational procedures for easy progress and guidance in the next phase. The product prototype should cover the following product aspects:

Product design – specific features and terms	**Partnerships** – Collaborations to deliver the product
Positioning – What will stick to clients mind	**Process** – Product lifecycle
Physical evidence – Physical appearance of product materials	**People** – Human interfacing involved
Place – Distribution methods to ensure access	**Promotion –** Advertising and communication
Price – Interest paid/earned, fees, penalties, transaction costs	**Platform** – Digital platform/ channels

Deliverables	• Research plan including tools, and sample • Market research report including 5 product prototypes • Final documented and approved 2-3 product prototypes ready for pilot
Timeline	• Maximum of 9 weeks
Responsibility	• FSP ABC Product Manager- Reviewer • Product Development Team & Managing Director - Support and review • Consultant – Implementation

Phase IV: Pilot testing

At this stage, the Country Product Team will prepare for the pilot test to identify and define all the conditions precedent and set up a monitoring framework to evaluate progress and challenges with the new product prototypes. The pilot-test plan will:

- *compose the pilot team*
- *define pilot objectives, timeline and budget*
- *prepare all systems, model the financial projections*
- *train relevant staff, communicate policies, procedures, and processes*
- *develop communication/ marketing plan and materials*
- *develop monitor and evaluation tools for the pilot* (see section -3)

Also, the plan should act as the primary reference to detail the activities to be performed at various stages of the pilot. The document should detail out the action plan, timelines, measurable indicators, and designate the responsible department/ person. Upon finalization of the plan, the pilot test should commence in the selected pilot branches.

To review the progress of the pilot, the Product Team should visit the pilot branches every month as part of the monitoring visit to capture their inputs and gather feedback on all the KPIs. See Section- 3 on detailed pilot review and monitoring process.

Deliverables	• Pilot plan • Monitoring framework, monitoring plans, and reporting structure • Communications plan and materials • Periodic pilot review performance report • Refinements of the prototype
Timeline	• 6-12 months
Responsibility	• FSP ABC Product Manager- Reviewer • Product Development Team & Managing Director - Support and review • Pilot team – Implementation

Phase V: Scaling

This stage should only apply to the successful pilot test that has been refined and is ready for scaling to all desired branches of operations. The Product team should develop a roll-out plan that will detail the timelines and operational excellence indicators and targets. The plan will ensure ownership is created within credit and operations teams. The scaling plan will include: Engaging Operations, Credit, and any other relevant department for integration, setting scaling objectives, developing a roll-out protocol entailing schedule, location, tracking, and budget, financial projections modeling, plan and structure systems and processes, communicate policies, procedures and processes institutionally. For ease of scaling, the product Team will conduct a Training of Trainers (ToT) to the relevant personnel e.g. regional Manager and Area Managers who will be expected to train all branch staff on the new product. The delivery of this training should apply the adult learning principles. The trained trainers should train branch staff on how to operationalize the product. At this stage, the scaling should commence. The product team should monitor and evaluate the roll-out/ scaling and reports every quarter specifically for the first 2 years (See detail on Section-3)

Deliverables	• Scaling plan • Training of trainers • Monitoring and refinement reports
Timeline	• 12-24 months
Responsibility	• FSP ABC Product Manager- Reviewer • HR/training team

Factor to Consider When Implementing a Product Development Project

Though product development can lead to a great institutional benefit by serving a new segment, untapped need, and with increased efficiency, there are factors to consider before embarking on such a project as elaborated below.

Budget

There is an expected budget implication of any product development exercise. This will depend on the target segment, and the cost associated in developing and delivering the product. The 5 product development phases above have a cost implication which varies depending on the activities under neath. Budget can vary based on various influences including the target population size, implementation approach, staff capacity, MIS changes, delivery channels, etc. At minimum, product innovation budget should consider the costs of following –

a. Market and need assessment
b. Product design exercise (HCD approach)
c. IT integration costs
d. Training of staff and clients
e. MF staff time (credit officers, line managers, Business/Product Development Manager, PM/COO and CEO) and
f. Travel, per diem and staff time of FSP ABC team's technical support as direct implementation cost
g. Marketing and promotion costs
h. Impact evaluation and knowledge creation
i. Innovation around digitization and digital channels has huge cost implications

There are various sources of funding for a product development project including internal funds diversification, fund injections by the stakeholders, grants or investment by development agencies. FSP ABC management must always ensure there is enough funds to drive the success of the new product at the planning stage.

Training new staff

Once the product prototypes are ready for pilot test, relevant staff in select departments and branches should be trained on how the pilot test will be done. The training can be done through ToT who then delivers it. Training requires preparation, development of modules, planning, and implementation which requires human resource man-days. There should be clarity on who is taking up which roles and activities to ensure progress of the project in addition to current job roles. Further, with a new product, new staff might be hired to drive efficient implementation of the product. The new employees will require induction to FSP ABC, product and process orientation to prepare them for their role. After a successful pilot test scaling will require more staff trained to fully implement the product in all the branches planned. It is important to consider though specific employees will be working directly with the product other staff should be trained on the product basics to ensure they understand the type of offerings done by the MF

MIS reporting changes

For easy monitoring during pilot, scaling phase and beyond, timely reports of the product performance is necessary. The product performance reporting needs will be defined by the product pilot team including finance and operations managers. Adding these changes to the MIS system will incur some cost. The team should ensure all reporting requirements are developed and met at the pilot stage to avoid MIS reporting challenges in the scaling phase. When considering reporting changes the MIS should be scalable to allow product growth and ensure report accuracy. Relevant IT and finance teams must be involved from the earliest stages.

IT system/integration

A new product will demand changes to the IT system to accommodate new processes, procedures, users, approval levels, etc. Making changes to the MIS modules comes as an added cost as it will require more development and testing of the system. It is therefore advisable that the product development team is cognizant of the required cost, time and resources. The specific cost of the changes will depend on the product implementation. In addition, if there is a partnership where there will be a need to integrate to a third-party Application Programming Interface (API) it will then require more funding than when system changes were with one vendor.

Partnership management

Partnering with other firms gives FSP ABC an opportunity to focus on its main business. However, partnerships require adequate management. It is important to have a rigorous bidding and selection approach. Roles and responsibilities of each partner must be specified clearly at the onset of the project through Memorandum of Understanding (MoUs) or contracts at the onset of the project. The binding contracts should be clear on the expectation and the deliverables. Partnerships management may sometimes require a third party but can mostly be managed in house. Poor partnerships can lead to product failure.

Section 3: Monitoring, Review and Documentation

For the success of new product development, scale and sustainability, it is very important to keep reviewing and monitoring for product feature appropriateness, any challenges/barriers faced by clients or staff, process improvement areas etc., and modify accordingly. Pilot period is the most critical time for management to pay attention to every detail of the experience clients and staff are facing with the new product and process. After pilot period, during roll-out and scale phase as well as for matured products, regular monitoring is good practice.

This section gives a detailed process for review and monitoring for – 1) Pilot Period 2) Post-roll-out or scale phase 3) Existing and matured products.

1. Pilot Period

By monitoring and reviewing the pilot test, the pilot team will be able to observe and receive direct feedback on the performance of the pilot from the clients, as well as from the institution. The process can offer valuable insight into any adjustments/refinements necessary during the pilot process itself, and ultimately enable decision-making on whether to (1) continue the test beyond the intended test period, (2) expand the product to other market areas, or (3) terminate/discontinue the product.

The following provides an overview of the outputs required at each stage of the product development process to enable proper pilot monitoring and review:

Phase	Activities	Deliverables	Timelines
Pre-Phase IV: Pilot testing	NOTE: The following must be in place so that the monitoring and review protocol can be generated: • objectives and targets/KPIs to be measured and monitored during the pilot test, including quantifiable client and institutional benefits, • full product feature documents and agreements signed with partners (if any) • information from any exercices, workshops, and assessments/ analyses	• **Pilot/monitoring and review protocol** outlining the reports to be generated, timelines, sources of information, sample size, location, and characteristics of the clients and staff to be approached for reviews, and who will be managing each piece of the pilot monitoring/review process	1-2 weeks

	conducted during the research and design phases		
Phase IV: Pilot testing	MONITORING: • Adjust monthly report format and share with test branches • Collect data from clients (either FGDs or KIIs) during their routine visits • Complete the monthly reporting format • Completed monthly reports from the field collected and consolidated • Product development team to review product performance on a monthly basis	• Monthly report formats (adjusted as needed) • Monthly reports (branch-wise and consolidated) • Monthly reviews by the product development team	Every month for the 6-12 month pilot period
	REVIEW: • Develop data collection tools and reporting formats • Conduct FGDs and KIIs with clients, staff, and partners (if any) • Clean and analyse data collected • Document findings on powerpoint (quarterly) and as a lessons learned document (end of test period) • Review findings periodically	• FGD and KII questionnaires • Cleaned data sheets on Excel (for client FGDs) or on Kobo Toolbox (for client KIIs, if applicable) • Quarterly review powerpoint • Final lessons learned document	PPTs developed every quarter, 1 final report generated at the end of the test period
Phase V: Scaling	• Plan for post-roll-out monitoring and review • Develop or adjust existing data collection tools for post-roll-out monitoring and review • Branch managers to review performance of the product monthly leveraging MIS and data collected through FGDs/KIIs during routine visits • Completed monitoring reports (monthly for the first quarter, and quarterly afterwards) from the field collected and consolidated • Product development team and county management to review product performance on a monthly basis for the first quarter and quarterly for the remainder of the first year • Repeat the review process after the product completes one cycle (for a product with a tenure close to 12 months), or two cycles (for a product with tenure close to 6 months)	• post-rollout monitoring and review protocol • data collection tools for the post-rollout monitoring and review • monthly monitoring reports for first quarter; if there are no major issues, quarterly monitoring reports generated for the remainder of the year • an analysis of the findings and a final report after one product cycle (tenure close to 12 months) or two product cycles (tenure close to 6 months)	12 months

	• Identify potential triggers for subsequent reviews		

Planning for Pilot Monitoring and Review

Prior to entering into the pilot test and developing the pilot monitoring and review protocol, the following will need to be in place:

- objectives and targets/KPIs to be measured and monitored during the pilot test, including quantifiable client and institutional benefits,
- full product feature documents and agreements signed with partners (if any), and
- information from any exercices, workshops, and assessments/analyses conducted during the design phase.

Using the objectives, the set targets/KPIs relating to the desired client and institutional outcomes, and the documentation from the previous product development phases, the core product development team should develop a clear monitoring and review protocol that sets out the following:

- **the reports to be generated**: monthly progress reports, and 1-2 review reports (1 if the pilot has a cycle close to 6 months, 2 if the cycle is close to 12 months). If the pilot was developed with funding from a donor, there may be additional reporting requirements, which will need to be factored in.
- **the timeline of the monitoring/review process**: meetings and updates shared weekly in the first month, and monthly thereafter; periodic monitoring visits and FGDs/KIIs after key events related to the pilot test; FGDs/KIIs for pilot review conducted once for a 6-month pilot or twice for a 12-month pilot; review reports (powerpoints) prepared once for a 6-month pilot and twice for a 12-month pilot.

  Ideally, FSP ABC should not wait until the end of the new product or service cycle to collect information or solicit feedback. Important information, either informal or formal, can be obtained throughout different time frames. For example, if the application process is too time-consuming or the terms and conditions of the product/service do not meet your clients' needs, you will want to uncover this information immediately.

- **the sources of information**: interviews with key staff and partners, interviews and/or focus group discussions with clients, information from client complaint mechanisms, trend reports, etc.
- **the sample size, location, and characteristics** of the clients and staff to be approached for reviews: The required sample size will depend on the number of branches, the different client segments that the product caters to, whether the product covers vastly different geographies and settlement types, etc. For the location, care should be taken to ensure that all pilot branches and geographies/settlement types are represented, preferably in equal numbers where possible. For KIIs and FGDs, the focus should be on ensuring that a diverse selection of clients are interviewed (such as, clients with no overdues, clients with overdues, dropout clients, male and female clients for products that cover both, urban and rural clients, etc.).
- **who will be managing each piece of the pilot monitoring/review process**: typically, the product manager (if they exist in country) or someone with the technical expertise in that product line (for eg. the digitisation manager for any digital products).

A format for the review protocol can be found in annex 1.

Deliverables	• **Pilot/monitoring and review protocol** outlining the reports to be generated, timelines, sources of information, sample size, location, and characteristics of the clients and staff to be approached for reviews, and who will be managing each piece of the pilot monitoring/review process
Timeline	• 1-2 weeks
Responsibility	• Product Development Team – development • FSP ABC Knowledge Manager - review • CEO/MD - approval

Pilot monitoring activities

Ongoing monitoring of the performance of the pilot will help determine whether demand exists for the new product, what modifications or changes to the terms and conditions are needed to make the product more appealing, and what features or processes need adjustment. Focus will be on capturing feedback from clients, from field and support staff, and from partners (if any).

Monthly reports and meetings

For the first month, the core product development team should convene every week to monitor the initial progress of the pilot, and to make informed decisions about the product. The weekly meetings are so that the team can act immediately to counter any problems that arise on introduction of the product. It is therefore important for the team to receive timely information.

Starting at the first month, assuming the test has settled into a routine, the review meetings can be held on a monthly basis, with a monthly one-page report generated (see annex 2). Reports, based on the product objectives and issues that arise during the test, should be provided to the team within five business days of the end of each month, and the team should meet within two business days of receipt of the reports to discuss them and to make decisions based on the information gathered.

Information for the monthly reports should be collected by the product manager (1) directly from the field officers in the pilot branches, and (2) from the client complaint mechanisms in place. When collecting information, the field officers should ensure that the branch managers are not present so that the information received is unbiased. The pilot team, as well as senior management, must ingrain among the field staff how critical it is to immediately share with the pilot team any issues in operationalising the pilot or any issues/concerns from the client-side.

During their routine visits, field officers must conduct interviews with roughly 5% of clients at the pilot branches under their supervision, assuming there are 2-3 pilot branches and depending on the product uptake, portfolio size, etc. In general, the field officers should visit the pilot branch regularly (at least on a monthly basis), especially at the commencement of testing. In addition, they should schedule monitoring visits soon after key events related to the pilot test. For instance, if the pilot has a training component, a monitoring visit should be scheduled in the week after the training has been delivered.

Deliverables	• Monthly report formats • Monthly reports (branch-wise and consolidated) • Review meetings by the product development team and country management -- weekly (only for the 1st pilot test month), monthly (for the remainder of the test period)
Timeline	• Branch-wise reports received within 7 business days of each month • Consolidated report developed and shared within 5 business days of each month • Monthly product review meetings held within two business days of receipt of the consolidated report

Responsibility	• Branch managers overseeing test branches - development (branch-wise) • Product development team and CEO/MD - review • FSP ABC product manager* and knowledge manager - informed

For digital products, the FSP ABC product manager will be the FSP ABC Digital Innovation and Implementation Manager.

Pilot review activities

1. Questionnaire development

Once the product design is approved for testing, the product development team should leverage objectives and targets set in the development stage, as well as the product features, to finalise the questionnaires and schedule.

The questionnaires should be designed with the objectives and nature of the product in mind, and must be ready by the time the pilot test is launched. In addition, separate questionnaires will need to be developed for clients, staff, and partners (if any). For the client questionnaires, the questions should cover the background of the clients (demographic information, previous experience with other FSPs, sources of income, etc.), promotion and marketing, enrollment and disbursement, product features, pain points along the client journey and anticipated barriers to uptake, value drivers for existing clients, questions on non-financial components of the product (such as livelihood training, in-kind inputs, etc.), and recommendations.

Questionnaires should be designed in a way so as to enable spot-checking for collecting different kinds of information at different stages. For instance, during the early stages of the pilot test, you can acquire information about the application process, how clients are reacting to the terms and conditions of the product or service, and how effectively staff are promoting the product. Hence, questionnaires should identify which questions will be asked when.

Decisions on whether the data for the questionnaires should be collected digitally or manually would depend on who is conducting the reviews and their level of comfort, the sample size, the length of the questionnaire, the number of open-ended questions in the questionnaire, and whether client data is collected primarily through KIIs or FGDs.

2. Data collection and analysis

Data collection for product review should take place every quarter, with FGDs and KIIs conducted by the product manager or digitisation focals (for digital pilots only). In cases where these staff are unavailable, FGDs and KIIs must be conducted by staff who have been properly oriented on the tools, who preferably have conducted similar exercises befores, and who were not involved in operationalising the product in the field (for instance, who are not among the branch staff of the pilot test branches). However, proper orientation is key not only for ensuring that the assigned enumerators are capable of recording the data accurately but also to ensure that minimal data losses occur and minimal data cleaning is required when the country product manager undertakes data analysis.

Manual data collection: This is applicable for both FGDs and KIIs, and is able to accommodate a larger number of open-ended questions. However, this requires significant time in transferring data recorded on paper to Excel sheets for analysis.

Digital data collection: This process greatly facilitates recording, visualisation, and analysis of information, and requires minimal time. It also enables the capture and storage of a large amount of data for cross-comparisons. However, this method is very difficult to use for FGDs, requires some handholding, and technical difficulties may arise even with tools that are operational offline and have been in the industry for years. Digital collection tools are also only available on smartphones or tablets, and some may not be available on both Apple and Android devices. Further, even with the digital process, it is recommended that enumerators carry printouts of questionnaires with them in case technical difficulties arise, and later enter the data on the web version of the digital data collection tool.

Special guidance for FGDs: Client FGDs can be conducted during group meetings for smaller groups, may be conducted immediately after group meetings, or scheduled separately. The ideal size for an FGD should be 8-10 individuals, although longer questionnaires may require smaller groups or an assistant moderator. Enumerators should ensure that field staff from the respective branches are not present so that clients feel comfortable to share their feedback honestly and openly without fear of reprisal.

3. Documenting findings and report generation

The purpose of the review report is to evaluate any new product at the end of the pilot test phase and to make a final recommendation on the future of the product. The review report seeks to answer the fundamental question: is launching the new product worth the investment to FSP ABC, considering the social and, to a lesser extent, the financial outcomes?

The report should capture all the information necessary for a final recommendation to management on whether to (1) continue the test beyond the intended test period, (2) expand the product to other market areas, or (3) terminate/discontinue the product.

The review report should be focused and informative, with any results, justification, or reasoning supported by quantitative data where available. It is important to be completely fair and honest in writing this report to improve existing and future products, policies, and procedures, and ensure better informed decision-making.

The review report should consist of the following sections, although the structure may need to be adjusted to ensure that relevant information is being captured: executive summary, pilot description, product development process, pilot performance (successes, challenges, business case), recommendation for discontinuation or pilot test extension or scale-up (with associated plans exit, pilot test extension, and scale-up as applicable), and lessons learned for current and future products/pilots. A full outline may be found in Annex 3.

There should be a buffer time of at least 2 weeks between sharing of the final product review report and the product scale-up.

Deliverables	• FGD and KII questionnaires • Cleaned data sheets on Excel (for client FGDs) or on Kobo Toolbox (for client KIIs, if applicable) • Quarterly review powerpoint • Final lessons learned document
Timeline	• PPT with findings shared every quarter • Final report at the end of the pilot test -- first draft shared within 1 week of pilot test completion for internal feedback, final report shared within 2 weeks of pilot test completion

Responsibility	• Product Development Team - implementation and development • FSP ABC Knowledge Manager - review • CEO/MD – approval

2. Post-Rollout Review

Introducing the new product to the larger market assumes that FSP ABC is confident that the characteristics and features of the product are in line with the needs of its clients and that the institution is prepared internally to incorporate a new line of business. However, regional diversity within the country, and differences in needs and behaviors between various client segments may mean that certain adjustments need to be made even after roll-out. As such, a review exercise will be necessary after the product completes one cycle (for a product with a tenure close to 12 months), or two cycles (for a product with tenure closer to 6 months). Reviews may also be triggered based on a significant issue arising in the course of implementation.

The knowledge management outputs at this stage will include:

- a post-rollout review protocol similar to the one used for the pilot test, but with adjustments made as necessary. The review protocol will also outline triggers and performance thresholds that would require the review to be conducted earlier than expected.
- data collection tools for the post-rollout review
- an analysis of the findings and a final report after one product cycle (tenure close to 12 months) or two product cycles (tenure close to 6 months), or if the review is triggered by a significant issue arising.

Reviews of existing core products/process would also need to be conducted to assess the continued relevance and benefit of the product to the client and to the institution, and to ensure a continued process of improvement for the institution. The review of these would follow a similar process as the post-roll-out review, with each core product reviewed every two years, or if a review is triggered by the product failing to meet performance thresholds.

Deliverables	• post-rollout review protocol • data collection tools for the post-roll-out review • an analysis of the findings and a final report after one product cycle (tenure close to 12 months) or two product cycles (tenure close to 6 months), or if the review is triggered by a significant issue arising
Timeline	• Post-rollout review protocol developed 1 week prior to product rollout • Data collection tools adjusted within 1 month of product rollout • Final report shared within 2 weeks of completion of 1 or 2 product cycles (as applicable, see above)
Responsibility	• Product Development Team - implementation and development • FSP ABC Knowledge Manager - review • CEO/MD – approval

3. Existing and Matured Products/Segments

An existing product can be reviewed and redesigned due to various factors such as: product performance, environmental changes, institutional strategies, clients' complaints etc. Review/ assessment of an existing product should discover if: it meets the clients' needs and preferences, it serves the target clients, the performance is optimal, there exist staff skill gaps, process and channels preference among others. The 10 P’s as highlighted in phase III will apply to this stage as well.

Below are the main steps for reviewing an existing product.

Steps in reviewing as existing product

- Document the objectives of reviewing the product
- Set up a product review team e.g. MF product manager, BI MF product manager, research firm (if possible)
- Qualitative research planning – work-plan, research tools, sampling, and logistics
- Conduct a qualitative research in line with the 10 P’s
- Research analysis
- Product review report writing
- Implementation of the recommendations

Where applicable a research/ consulting firm can conduct the research on behalf of FSP ABC to avoid bias. However, implementation of the recommendations should mostly be done by FSP ABC team with support from the product team.

Product review is more likely to result in a product adjustment/ redesigning than maintain a status quo. In such a case, if the product features, process, or lending approach will be changed/ tweaked, then the product design approach above should be implemented in this stage while maintaining all considerations. All review data, analysis and recommendation must be documented and approved by management.

Listening to Client’s Feedback Regularly

To ensure we are enhancing client-centricity while providing responsible financial services, FSP ABC should aim to gather client feedback as frequently as possible. This information is critical to FSP ABC and can lead to the improvement of the majority of the pain points experienced by its clients. Below are ways in which FSP ABC should get products and services feedback.

Complaint/ suggestion handling mechanism: The complaint handling mechanism guideline in FSP ABC details how client complaints are registered, solved, analyzed, reported, and used to drive products and services improvement. The reports shared should drive actions in improving product, client service, and client experience.

Audit and monitoring reports: FSP ABC Monitoring and Evaluation team frequently conduct assessment on various aspects including products, services, process, policies, client satisfaction, client service, social performance, among others. During these checks, they collect valuable feedback which should drive market-led financial services. Similarly, the Audit team should also conduct independent assessment nearly on all aspects done by the M&E team and further inspect FSP ABC financial account to ensure they represent the correct information. The M&E and audit team gather a lot of feedback while carrying out their activities and their reports should drive responsible financial services.

MIS system: FSP ABC MIS system holds an enormous amount of the data of the clients and product offering. Analysis of these quantitative data should feed into client segmentation where information such as demographics and repayment history can be utilized. Such findings can be used to improve on Repayment Capacity Analysis (RCA) or to lead to further qualitative research in the field to improve in product development.

Staff surveys: The field staff i.e. Regional Manager, Area Manager, Branch Manager, and Credit Officers are in constant contact with clients allowing them to hear and learn about clients’ pain points. FSP ABC should develop a survey that allows to collect this information preferably every quarter. Also, these resources may understand areas where the process and policies may need review.

Impact Survey (Lean Data) reports: These are country-specific reports, on quantitative data analyzed to reflect clients' journey experience. The reports indicate our client profiles, client experience, and the impact they have by using our products and services. The reports detail clients' feelings, expectations, frustrations, and such feedback should help FSP ABC improve in various areas. These reports can be used to identify the skill gaps, culture influences, and other aspects that require changes to better serve our clients. Management must monitor and ensure full utilization of the report recommendations for better client experience and retention.

Exit interviews: In an event a client drops out for whatever reason, they should participate in an exit interview conducted by filling out a form. Auditors and monitors can follow-up on drop-out clients on sample basis to understand the reasons behind drop-out. Monthly analysis of the exit interviews and reporting should be done and shared with the Regional Manager who should further compile and discuss with FSP ABC senior management for action.

Appendix Section

ANNEX A – Sample Product Development Workplan

Activity	Project Timeline													
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
Phase I: Desk Review														
Market assessment to identify financing gap														
Competitor analysis and PEST analysis														
Partner scoping and selection defining roles														
Partners scoping and selection, define roles and responsibilities														
Evaluation of mission and strategy alignment and development of a business case														
Deliverable: Desk research report														
Deliverable: Partnership ToR and contracts if needed														
Phase II: Quantitative Research and Client Segmentation														
Quantitative research planning (research sampling, tool, etc.)														
Data collection														
Data analysis and client segmentation														
Identification of priority segments(s)														
Deliverable: Research plan and Research tool/questionnaire														
Deliverable: Collected data in Excel/SPSS and Client segmentation report														
Phase III: Qualitative Research Through HCD														
Research Plan														
Focus Group Discussions (FGDs) and In-Depth Interview (IDI)														
Behavioral analysis to identify needs and preferences and reporting														
Identify appropriate channel of delivery														
Design 4-5 prototypes and reporting														
Deliverable: Market research report including 5 product prototypes														
Deliverable: Final documented and approved 2-3 product prototypes ready for pilot														
Phase IV: Pilot testing														
Pilot plan														
Pilot 2-3 prototypes														
Periodically review performance														
Document all target, results, and learnings														
Deliverable: Pilot plan														
Deliverable: Periodic pilot review report and Refinements of the prototype														
Phase V: Scaling														
Develop Scaling plan														
Train Trainers														
Scale and Regular review of product performance and refinement														
Deliverable: Scaling plan and Train Trainers														
Deliverable: Regular review of product performance and refinement														

ANNEX- B: Pilot Monitoring and Review Protocol

<table>
<tr><th colspan="3">Key Activities</th></tr>
<tr><td>Step 1: Mapping for monitoring and review (part 1): identifying key stakeholders</td><td>Deadline:</td><td>Persons Responsible:</td></tr>
<tr><td>Which clients to interview and how many:

Clients categories:
• ___ urban
• ___ rural
• ___ old clients (completed 2 or more cycles with FSP ABC at the start of the pilot)
• ___ new clients (completed less than 2 cycles with FSP ABC at the start of the pilot)
• ___ male
• ___ female
• ___ dropped out clients
• ___ clients with overdue
• ___ clients without overdue
• ___ other, define:
• ___ other, define:</td><td colspan="2">Which staff to interview and how many:

Staff categories:
• ___ Loan officers
• ___ Branch Managers
• ___ branch accountants
• ___ staff responsible for delivering the non-financial components of the product
• ___ IT staff
• ___ partner NGO staff
• ___ other, define:
• ___ other, define:</td></tr>
<tr><td colspan="3">Is this pilot delivered in partnership? Yes/No

If yes, which partner contacts should be interviewed and how many from each role?</td></tr>
<tr><td colspan="3">there any key events in the pilot test cycle, such as trainings, input distribution, etc.? Yes/No

es, please list which events and when they occur in the pilot test cycle:</td></tr>
<tr><td>Step 2: Develop/adjust monthly monitoring report format for the pilot</td><td>Deadline:</td><td>Persons Responsible:</td></tr>
<tr><td>Review data fields and questions against
• the key stakeholders identified for the interview,
• the nature of the product/process (including any non-financial components),
• the KPIs/objectives for the product, and
• any resources available</td><td></td><td></td></tr>
<tr><td>Share with and orient branch managers on the updated monthly monitoring report format</td><td></td><td></td></tr>
</table>

Step 3: Mapping for monitoring and review (part 2): Setting the monitoring and review schedule based on information in step 1 The following timeline is for a 6-month pilot test cycle. More rows will need to be added for longer pilots, and for pilots that have more complicated timelines/additional milestones.	Deadline:	Persons Responsible:
Month 1 monitoring visits completed		
Month 1 branch monitoring reports shared by branch managers w/ pilot team		
Month 1 consolidated monitoring reports shared with country management		
Month 1 monitoring review meeting		
Month 2 monitoring visits completed		
Month 2 branch monitoring reports shared by branch managers w/ pilot team		
Month 2 consolidated monitoring reports shared with senior management		
Month 2 monitoring review meeting		
Month 3 monitoring visits completed		
Month 3 branch monitoring reports shared by branch managers w/ pilot team		
Month 3 consolidated monitoring reports shared with senior management		
Month 3 monitoring review meeting		
Month 4 monitoring visits completed		
Month 4 branch monitoring reports shared by branch managers w/ pilot team		
Develop data collection tools for pilot review		
Month 4 consolidated monitoring reports shared with senior management		
Month 4 monitoring review meeting		
Month 5 monitoring visits completed		

Enumerators oriented on pilot review survey process and tools		
Pilot review surveys completed		
Month xx etc.		
Final draft of review report shared		
Annual consolidated monitoring reports shared with senior management		
Final meeting to review all findings and decide on whether to retest, discontinue, or scale the product/process		

ANNEX C: Branch Monthly Monitoring Report

This will be shared as an Excel sheet with a separate tab for each branch in the pilot.

Date of Submission:	Branch Name:

<table>
<tr><th colspan="2">SECTION 1: FILLED IN BY BRANCH MANAGER USING BRANCH DATA AND INFORMATION FROM CLIENT FEEDBACK MECHANISMS</th></tr>
<tr><td colspan="2">CLIENT NUMBERS:</td></tr>
<tr><td>Total No. of Clients:</td><td>Increase in No. of Clients:</td></tr>
<tr><td>No. of Female Clients:</td><td>No. of Rural Clients:</td></tr>
<tr><td>Caseload per LO:</td><td>No. of Dropouts:</td></tr>
<tr><td>PAR>30 (%):</td><td>No. of Overdue:</td></tr>
<tr><td colspan="2">CLIENT INFORMATION:</td></tr>
<tr><td>Age Group:
• ____ 15 - 24
• ____ 25 - 39
• ____ 40 - 59
• ____ Over 60</td><td rowspan="2">Sources of Household Income of Clients:
• ____ Small business
• ____ Crop
• ____ Livestock
• ____ Fishery
• ____ On-farm casual labour
• ____ Regular employment (salary)
• ____ Remittance from family
• ____ Other</td></tr>
<tr><td>Loan Sizes:
• ____ Less than xxx Local currency
• ____ Between xxx – yyy Local currency
• ____ Greater than yyy Local currency</td></tr>
</table>

COMPLAINTS RECEIVED:	
No. of Client Complaints Received:	No. of Client Complaints Resolved:
Nature of the Complaints (list):	How Complaints Were Resolved (list):

SECTION 2: FILLED IN BY BRANCH MANAGER BASED ON INFORMATION COLLECTED THROUGH INTERVIEWS AND DISCUSSIONS WITH CLIENTS DURING ROUTINE VISITS
BREAKDOWN OF CLIENTS INTERVIEWED:
Total No. of Clients Interviewed: Breakdown of Clients Interviewed: • ____ Female • ____ Rural • ____ Overdue • ____ Dropout • ____ Old clients (have completed 2 cycles or more with FSP ABC) • ____ New clients (have completed less than 2 cycles with FSP ABC)

Age Group: • ____ 15 - 24 • ____ 25 - 39 • ____ 40 - 59 • ____ Over 60	Sources of Household Income of Clients: • ____ Small business • ____ Crop • ____ Livestock • ____ Fishery • ____ On-farm casual labour • ____ Regular employment (salary) • ____ Remittance from family • ____ Other
Loan Sizes: • ____ Less than xxx Local currency • ____ Between xxx – yyy Local currency • ____ Greater than yyy Local currency	

CLIENT QUESTIONNAIRE:	
1. Think back to when you first heard about the product. What intrigued/attracted you to join?*	
1. How did you use your loan?	

1. Was the product able to meet your financial needs? If no, why?	
1. What did you like the most about this product?	
1. What do you like the least about this product?	
1. Would you recommend the product to someone else?	
STAFF QUESTIONNAIRE:	
1. Were you oriented on the pilot/product before its launch?*	
1. Are any competitors offering similar products? What are the terms and characteristics of these products?	
1. What are some challenges you have faced in working with this product?	
1. Why do you think these challenges arose and what could be done differently to address them?	
1. Have there been any overdues or dropouts? What have you done to address overdues and dropouts?	
1. What are your suggestions for improving the pilot/product/process?	

END OF BRANCH REPORT

The remaining section will be filled out by the pilot team after the monthly review meeting. This section will cover ALL branches/regions where the product is being piloted.

SECTION 3: ANALYSIS			
KEY CHALLENGES AND LIKELY CAUSES	SUGGESTED SOLUTIONS	PERSONS RESPONSIBLE	TIMELINE
1.			
1.			
1.			
1.			

ANNEX D: Final Product Review Report Template

The review report should consist of the following sections, although the structure may need to be adjusted to ensure that relevant information is being captured:

I. Executive summary: This section summarises the report, presenting key challenges faced during the entire pilot life cycle, key successes, and recommendations for existing and future products. Those writing the report should work on the executive summary after all the other sections have been completed. Based on the analysis, this section should conclude with a final recommendation on whether the pilot test period should be extended, whether the product should be discontinued, or whether the product should be rolled out more widely.

II. Product description: This section should give a full description of the product itself:

- What are the goals, objectives, key performance indicators/targets, etc. associated with the product?
- Were there any non-financial components (training, in-kind support, awareness-raising, etc.)?
- Who are the intended clients?
- What are the key product features?
- Which branches had this product? How many clients? What were the staffing arrangements?
- What was the role of partners in developing and/or implementing this product?
- How were different departments/programmes/units within FSP ABC involved in delivering this product?

This section should also provide additional information of the context in which this product was developed, i.e. whether there are other competitors offering the same product, features of similar competitor products, relevant regulatory information, etc.

III. Product development process: This should document the steps and the overall process in the development and testing of the pilot. This section will be crucial in capturing whether the fault lies in the idea behind the product or in the execution. Some questions to be covered include (but may not be limited to):

- What needs did the pilot seek to address? Was a thorough market assessment done using standard industry tools?
- What were the methodology/tools used to assess the demand for and develop this product?
- Were key factors, such as financial viability, competitiveness, and institutional factors, adequately considered during product development?
- Was there any analysis of whether FSP ABC has the necessary readiness (in terms of procedures, policies, systems, staff, etc.) to implement this product?
- Did the team conduct a thorough analysis of the risks to the organisation and to the client associated with the product?
- Were potential barriers to customer access considered when delivering the product?
- What was the role of partners/donors in product development? Any constraints or challenges from their side?

IV. Product performance: This should list the factors that contributed to the product’s success (linking directly with indicators and/or objectives that were to be measured during the pilot test) and any challenges faced in meeting these objectives. The report should compare the results with projections/targets set during the product design phase. Any significant variance (more than 20% in either direction) and the reasons behind any significant projection adjustments during pilot testing should be discussed.

For any significant challenges, the report should distinguish between whether these challenges arose due to a design flaw/gap or due to improper implementation. If a market assessment was conducted, this section should conclude with why the product did not meet the findings from the assessment:

- Did FSP ABC miss/overlook any areas/factors in designing the product?
- Did FSP ABC have adequate operational readiness to launch this product, even for the pilot test?
- Was there an issue with the market assessment itself?
- Where in the process of delivering the product did FSP ABC fail?

The section should be divided into three subsections:

4.1 What went well: This should list the successes or the good practices embedded in the product that could potentially be replicated in other products, particularly those with similar objectives, features, and target groups.

4.2 What did not go well: This section should list all the issues that arose during the pilot test, as well as how they were resolved or how they could have been avoided. Each of the challenges should be presented as: challenge → likely cause (that led to the challenge) → solution/recommendation (to overcome the challenge/avoid future challenges of the same nature).

4.3 Business case: This section should investigate whether there would be any financial benefit to continuing with the product. It should look at the increase in the number of new clients (both from competing institutions and from previously unserved markets), total loan portfolio and PAR>30, caseload per credit officer, total capital expenditures, total operational expenditures, total growth in revenue, etc. to calculate the return on investment.

To conclude this section, the report should provide a recommendation to management on which of the following options to take, based on the analysis above:

- Option 1 Extension of the product test period: This should be recommended if significant adjustments were introduced late into the test to correct for problems with the product. This would mean that the pilot's performance is still inconclusive.
- Option 2 Wider roll-out of the product: This should be recommended if the product largely met the social and financial objectives, and did not have serious problems that demand extended testing.
- Option 3 Termination/discontinuation of the product: If there were significant design flaws in the product, if testing has shown that the organisation does not have the required readiness to continue with product, and if the product failed to meet the social and financial objectives to a significant extent, a decision may be made to discontinue the product. When recommending discontinuation, please justify why it would be better to discontinue the product as opposed to altering the product itself or the existing processes and policies that contributed to its failure.

For products recommended for Option 1:
V.a. Pilot test extension plan: This should include a detailed description of what product features will be changed in the extended test phase, as well as the adjusted targets/projections.

For products recommended for Option 2:

V.b. Roll-out plan: This should include an overview of where and how the product will be rolled out, what considerations should be made for different branches/regions, what would be the associated projections, what are the potential risks to the institution and to the client, and what actions should be taken in terms of institutional readiness (training, infrastructure, marketing, controls, etc.). It should also include an overall budget to support the plan.

For products recommended for Option 3:

V.c. Potential impact of discontinuing the product and exit strategy: This section should briefly analyse whether and how discontinuing the product will impact FSP ABC and its existing clients, and note any key assumptions that were made in assessing the potential impact.

This section should also describe the exit strategy for this product. Are we switching clients to a different product that FSP ABC already has? Or are we referring them to a similar product at a different organisation? In either case, how would these pathways serve our clients' needs?

VI. Recommendations for existing products and future product pilots: This section provides learning that should be taken into account in improving existing products, and for improving assessments, development, delivery, etc. for future pilots. The recommendations define what needs to be changed and how we should work. They can also suggest new products that should be piloted. The contents of this section should directly relate to findings from Section 4.