



The Computerworld Honors Program

Honoring those who use Information Technology to benefit society

Final Copy of Case Study

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STATUS:
Laureate

Organization:
SunGard Financial Systems

Organization URL:
<http://www.sungard.com/financialsystems.aspx>

Project Name:
SunGard MiFos 2

What social/humanitarian issue was the project designed to address? What specific metrics did you use to measure the project's success?

Studies show that women perform two-thirds of the world's unpaid labor, grow more than half the world's food and yet represent 70% of those living in poverty. Another established fact: When a woman prospers, the family prospers. An effective way of uplifting the world's poorest, especially women, is to provide them access to loans so they can embark on small entrepreneurial ventures and improve their lives. Unfortunately, small collateral-free loans are not available through conventional retail banking channels owing to issues of credit-worthiness and low profits while serving the poor. Hence, the explosion of Micro Finance Institutions (MFIs), which focus on improving access to micro-loans, financial literacy and training on livelihood skills. Information is the bedrock of any financial institution and its management is key to its success. MFIs face challenges in quick customer on boarding, loan disbursement and repayments, monitoring and remotely managing their far-flung branches. Cost-effective technology, along with efficient processes, addresses these challenges, an area where SunGard's technical and domain expertise thrives. SunGard is a strategic technology partner to MiFos Grameen Foundation's open source technology platform for MFIs. SunGard also provides services to MFIs who operate in key microfinance markets like India, East Africa and Southeast Asia. Run as a community service initiative, SunGard

contributes technical and financial expertise to implement solutions, guide technology investments and most importantly, work with MFIs to build technology strategies that are impactful, frugal and sustainable. A key metric is the Progress Out of Poverty Index (PPI), an easy-to-use, objective, country-specific poverty assessment tool. PPI uses 10 simple indicators that field workers can quickly collect and verify. PPI helps programs target services, track changes in poverty over time, and report on poverty rates. SunGard shares these goals.

Please describe the technologies used and how those technologies were deployed in an innovative way. Also, please include any technical or other challenges that were overcome for the successful implementation of the project.

SunGard has been working with MFIs to help them implement, leverage and maintain MIFs at the lowest cost possible. A web-based, cloud-hosted open-source solution has eliminated the need to manage and maintain a large IT infrastructure. SunGard has helped overcome two specific technology challenges: Scalable performance and data assimilation and migration. Scalable Performance: Compute power at MFIs cannot keep up with the explosive growth in the client base, forcing the field staff to use and update data offline. This leads to the system being used for mere record-keeping instead of being a real-time and robust portal. In the frugal world of microfinance, doing much more with less is the way of life and hence, SunGard helped set up a performance simulation lab on an Amazon ec2 cloud to test key processes on a one-million client database. This was synchronized with the MiFos continuous integration server, so latest releases could be picked up, automatic Jmeter tests could be run and results/problem areas could be reported to developers. This eliminated the traditional cycle of new release adoption an onerous process for the tiny IT teams at MFIs. Data Migration: At most MFIs, the need for full-scale technology solutions like MiFos is always preceded with a wide use of spreadsheets, smaller and different stand-alone solutions in each office or client heavy solutions on an agent's computing device. To overcome the data migration hurdle in implementing MiFos, SunGard developed a tool kit that aggregates the data across various sources, maps it into the standard MiFos database schema and imports it. The data migration tool consists of a Java-based single sign-on presentation layer, an ETL tool -- Kettle PDI -- for data mapping, an orchestration layer built using Apache Camel, an open source EAI framework.

Please list the specific humanitarian benefits the project has yielded so far.

MFIs across the world need technology support for their day-to-day operational processes, as well as to generate key reporting metrics for various stakeholders, including funders, donors and government agencies. SunGard has been directly involved in supporting MFIs in India and Southeast Asia by providing technology strategy assistance, product deployment and customization and support for ongoing reporting needs. Notable in India are Grameen Koota and Adhikar Microfinance, who together work with over half-a-million families. In addition, SunGard has been working with organizations in the Philippines and Africa, benefitting more than 200,000 families. Due to the technology enablement, Grameen Koota was able to increase its outreach from 70,000 families in a single state to more than 400,000 families spread across three of the largest and poorest regions of India. At Adhikar Microfinance, the MiFos product was implemented by collating data from over 35 standalone desktop applications, saving the

organization millions of rupees in upfront technology investments and recurring license fees. Since then, Adhikar was able to increase the client base from 72,000 families to 120,000 families in less than 2 years despite the turmoil in the local MF industry, primarily because the greater efficiencies and transparency resulted in more funders and donors contributing to the organization's cause.

Please provide the best example of how the project has benefited a specific individual, enterprise or organization. Feel free to include personal quotes from individuals who have directly benefited from the work.

Grameen Koota (GK) is the best example of an MFI that has benefited from SunGard's work. Started in 1999, it served 70,000 families with one loan product and 44 branches in India's Karnataka State. As transactions grew, technology became critical to smoothly manage their operations. With an average of three transactions a week, remote book-keeping, need for real-time information and overall customer service was a challenge. In 2007, GK became an early MiFos user and consequently helped define many requirements for the product. However, with a lean IT setup and a growing customer base, sustaining growth was challenging. In 2009, SunGard started working with them to implement MiFos. The technology enablement helped GK introduce loan product variations based on citizens' income/livelihood profiles across geographies. The lead time for loan product introduction reduced from three months to two days. By 2010, it had become one of the largest MFIs in India, serving more than 400,000 families across three major Indian states and over 160 branches. Progress Out of Poverty Index (PPI) was being tracked and monitored using MiFos. Tracking shows that of the families supported by GK, a net 22% of the families below the \$1.25/day line and net 8.5% who were below the \$2/day line had moved above their respective poverty lines. GK attributes its success to the MiFos deployment and the help it has received from SunGard. Suresh Krishna, Managing Director, Grameen Koota, says, "SunGard helps us implement and manage MiFos. Among the many challenges we had, SunGard helped us fix the performance problems." [Please watch the video, <http://vimeo.com/36072632>, featuring Suresh Krishna, managing director of Grameen Koota, and Narayan Ramachandran, former India head for Morgan Stanley and an active microfinance supporter.]