

CLIENT RELATIONSHIP MANAGEMENT IN ACTION: THE EXAMPLE OF ACCESS BANK, NIGERIA

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The Access Bank – Gender Entrepreneurship Markets (GEM) deal is an example of an effective “joint venture” between IFC’s investment and advisory services staff which has produced excellent results for the client. GEM’s relationship with Access Bank was strong from the beginning, based on its previous experience of working with IFC, and on GEM’s customized approach of doing business in the cultural context of Nigeria. In fact, GEM was a way to strengthen the relationship between the two institutions. However, this \$30 million line was the very first access to finance deal in which GEM was involved. The deal, which was the first loan under IFC’s GEM program, came into being because of the client’s interest in the GEM advisory services program that IFC offers.

Background

While the GEM program is designed to leverage the potential of women in emerging markets, Access Bank is one of Nigeria’s leading banks, interested in pursuing the women’s market as a way to differentiate itself. In fact, the banking sector in Nigeria had recently undergone a dramatic consolidation that reduced the number of banks from 89 to 25, which led to more competition between banks looking to downscale into the retail market. Access Bank quickly saw the GEM program as an opportunity to complement its retail expansion strategy, while helping the bank differentiate itself by focusing on women-owned businesses.



Registration at the Access Bank launch event

IFC GEM identified Access Bank as one of the “new generation banks” in Nigeria that are eager to differentiate themselves in the market. During our discussions with women’s organizations and businesswomen in Nigeria, Access Bank kept coming up as a bank that GEM should talk to. They already had a reputation in the market of being approachable. Access Bank was very receptive to the idea behind the GEM program as soon as we approached them. From our first meeting with the Managing Director to subsequent meetings with the rest of the senior management staff, GEM was able to develop a very good relationship with Access Bank. This relationship was key to the quality and execution of the project.

Access Bank was a relatively new client of IFC. We started working with them by way of the Global Trade Finance Program in September 2005. By the time we approached them for the GEM product in January 2006, they had become the biggest user of the program.

Program Description

On June 9th 2006, IFC signed an agreement to provide a first \$15 million tranche of the \$30 million loan to Access Bank to extend lines of credit to women entrepreneurs. With this loan, Access Bank became one of the first banks in Africa to dedicate lines of credit to finance women-owned businesses. In tandem with the loan, GEM provided a \$350,000 contribution toward the design and implementation of an advisory services plan that would turn Access Bank into the “bank of choice for women” in Nigeria.

Total GEM Advisory Services Budget	\$850,000
Access Bank Contribution (cash and in-kind)	\$500,000
IFC GEM Contribution	\$350,000

Under the program, IFC is helping Access Bank develop the ability to provide outreach to and better service for the women’s market in Nigeria. The twin objectives of the two-year advisory services program are to:

- a. Improve Access Bank’s financial services delivery to the women’s market in Nigeria – using the expertise of the IFC-housed Global Banking Alliance for Women,¹ including staff training, strategic planning, market positioning, and segmentation. Access Bank has since been inducted into the Global Banking Alliance for Women, the first bank in West Africa to be admitted.
- b. Assist Access Bank in improving the quality of their female client base by providing women entrepreneurs with financial literacy and business skills which will improve their profile as bankable businesses. This would be done in partnership with PEP-Africa and local business development services providers.

Lessons Learned

Strong client commitment is necessary

It was made clear to Access Bank early on that the GEM advisory services program would be contingent on an investment. Also, we emphasized to them that they would have to significantly contribute their own resources to the Women’s Program in order to ensure success.

The client was so keen on the program that by the time they came to visit IFC, they had already drafted a term sheet, identified who the manager of the Women in Business Program was going to be, drafted a preliminary strategy for their Women’s Program, and had a preliminary agenda for the launch event they were planning, which already included Nigerian President Obasanjo. We quickly agreed on an accelerated timeline for the project, with the Financial Markets team (CGF) suggesting that we make a full board presentation of the project.

¹ The Global Banking Alliance for Women (GBA) is a consortium of banks that have successfully leveraged the women’s market for profit. The GBA members collaborate on identifying and sharing global best practices in financial services delivery to women so as to accelerate the growth of women in business and women’s wealth creation, while generating superior business outcomes for members. As of March 2005, GEM, on behalf of IFC, hosts the Secretariat of the GBA.

Even though CGF was the lead in the transaction, they selected GEM to make the oral presentation to the Board. The investment officers involved in the transaction were as interested in the project as the GEM team was. Therefore, we worked collaboratively to meet the deadline.

The GEM program was a perfect opportunity to deepen IFC's already existing relationship with Access Bank. This deal was in the best interests of all the involved parties at IFC, namely GEM and CGF. In addition, it was a project that would have a strong development impact on the underserved women's market.

Presenting a unified face to the clients: Collaboration between GEM, CGF and Field team

What really worked on this project was the total integration of the advisory and investment sides. Even though there were separate loan and advisory



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services agreements, both documents reflected the collaborative nature of the project. The GEM team was involved in both the formal and informal discussions with the Investment team as well as with Access Bank. We had all the client meetings together. After GEM's initial pitch to the client in Nigeria, we immediately brought our CGF colleagues into the discussions. CGF immediately responded, and negotiations for structuring the financing began.

There was very clear recognition from CGF that GEM was in fact the *raison d'être* of this new deal. When the client came to HQ to meet with IFC senior management, GEM was part of the meetings and discussions. The CGF appraisal mission and GEM due diligence missions were planned jointly, and we traveled to Nigeria together. This all fostered an ambience of camaraderie and effectiveness which ultimately benefited our client.

The team inclusiveness affected the client relationship in the sense that IFC presented a united front to Access Bank, and that Investment and Advisory Services were part of the same package. The client knew they could call on the GEM team or the FM team for information. The integrated approach made the process of doing business much simpler for the clients, and the united front of IFC built confidence in the relationship between Access Bank and IFC. This meant that the investment and advisory sides had to coordinate internally within IFC. The client relationship was not skewed toward investment but was balanced with that of the advisory side, and this made the project effective.

The GEM reporting requirements were the same for the loan and the advisory services (monitoring & evaluation). Consistent procedures for both the advisory and investment sides made reporting simpler for the client. For this, the loan agreement stipulated the GEM reporting requirements, and the GEM team was involved in all steps of the investment. GEM was part of the i-desk project team, and the investment was even called "Access GEM."

GEM was present and involved in all the meetings, from IRM to pre-Board. We even prepared the Investment Board paper together. The performance metrics of the investment and advisory services program were reflected in the loan and advisory services agreements as follows, and are part of the reporting requirement:

- A minimum of 300 loans
- At least 150 of those loans to new borrowers (who can be previous Access Bank clients)
- 50 percent of the total amount in loans with a tenor of 12 months or more
- Only majority women-owned businesses qualify for loans

Staying close to the clients is essential: Importance of engaging field offices

The Lagos team was an instrumental part of this project. Not only was it involved on the investment side and with the appraisal; but it facilitated the visit of the IFC staff to Nigeria for the signing ceremony.

With the local office involvement, it was easier to interact efficiently with the client and be better able to serve them and answer their questions and concerns immediately. We weren't having disjointed HQ/field conversations; everyone was in the loop. The field office did not have to contact HQ for minor information



and was able to quickly respond to clients' inquiries. For the clients, this meant that IFC was readily accessible, that they could walk to the field office and talk to their counterparts in person. This not only put clients at ease but built confidence in the relationship with IFC, eventually leading to better client service from IFC.

The PEP-Africa team supported the project from the very beginning, and the advisory services team in Lagos worked with GEM on the advisory services program. SME EDI (Enterprise Development Initiative) is contributing to the project by developing a program to support 100 of the women entrepreneurs participating in the GEM Access Bank advisory services program.

The GEM Access Team

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