Ten Steps to Selecting Master Agents
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1. Establish the key roles and responsibilities of master agents

2. Chose the selection criteria that will result in a group of master agents that can achieve the results specified in their roles and responsibilities

3. Chart the landscape of existing distribution channels, including layers within the value chain, levels of ownership, and areas of exclusivity

4. Graph potential players within the distribution channel landscape to required roles and network size to determine which have the most potential as master agents

5. Document the value proposition for each potential master agent, realizing that their motivations could vary widely
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6. Map the financial infrastructure, seeking to understand the locations of bank branches and ATMs that can be leveraged for liquidity management

7. Based on the anchor product, target initial, secondary, and tertiary retail agent locations, as well as a strategy for rolling out the distribution network country-wide

8. Chart potential master agents locations against rollout strategy

9. Score the agents based on selection criteria, overlap with financial infrastructure, adherence to rollout strategy, and other key factors

10. Create a profile of highest ranking potential partners that can be used to prepare a sales presentation for them
### 1. Key Roles and Responsibilities for Master Agents

<table>
<thead>
<tr>
<th><strong>Business Management</strong></th>
<th><strong>Financial Planning</strong></th>
<th><strong>Sales</strong></th>
<th><strong>Liquidity Management</strong></th>
<th><strong>Training</strong></th>
<th><strong>Compliance</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Plan all aspects of business</td>
<td>- Develop primary financial statements</td>
<td>- Recruit new retail agents</td>
<td>- Ensure that retail agents have sufficient electronic value on their phones</td>
<td>- Provide initial training on MFSP services</td>
<td>- Monitor retail agents effectiveness in achieving compliance with MFSP and regulatory policies</td>
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<tr>
<td>- Meet with retail agents on a regular basis to understand their business</td>
<td>- Perform financial forecasting</td>
<td>- Develop sales forecasts for their network</td>
<td>- Set up system to provide and retrieve cash, as needed by agents</td>
<td>- Encourage retail agents to attend MFSP special training sessions</td>
<td>- Follow up on overdue or outstanding documentation</td>
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<tr>
<td>- Track needs for additional training, promotional materials, other tools</td>
<td>- Reconcile electronic and cash movement at end of each day</td>
<td>- Motivate agents, and monitor progress against sales goals</td>
<td></td>
<td>- Ensure retail agents are sufficiently trained</td>
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</tbody>
</table>

Refer to the Master Agent Responsibilities in Part 7 of the Toolkit for more details on these and other roles and responsibilities of Master Agents.
2. Master Agent Selection Criteria

Every MFSP will have a unique set of selection criteria that are used to assess and select Master Agents that are likely to include:

- Regulatory Criteria
- Business and Operational Criteria
- Location, Location, Location
- Sales and Marketing Criteria
- Motivation Level

Refer to the Master Agent Responsibilities in Part 7 of the Toolkit for more details on these and other roles and responsibilities of Master Agents.
Identify companies, government agencies, and other organizations that move products, money, or services across the country. Be sure to understand the ownership structures across the value chain, which may be surprising. In Mozambique, commodities traders handle scratch card distribution for one of the biggest mobile operators in the country. In PNG, coffee moves money to 400,000 people.

**SIM cards and airtime**
- Mobile Operators
- Airtime resellers
- Mobile phone shops

**FMCG**
- Manufacturers
- Distributors
- Wholesalers
- Retail shops

**Petrol**
- Petrol stations
- Small refilling stops
- Wholesale buyers
- District level truckers
- Individuals with trucks

**Export companies**
- Wholesale buyers
- District level truckers
- Individuals with trucks

**Ownership Structures**
- Owned: Fully owned and managed by service provider
- Tied: Not owned but business exclusively or strongly linked to service provider business
- Independent: Independent
4. Graph Players to Identify Highest Potential Candidates

Potential Master Agents and Potential Retail Agents can be targeted through a process that maps ability to perform the required roles against geographic reach.
5. Document Value Propositions for Potential Agents

Neutral:
- Positive: way to be paid faster and increase security
- Neutral: will help reduce cash handling but may be regarded as means by which exporters reduce payment terms
- Positive: will reduce cash-handling

Positive:
- Very positive: will reduce churn
- Positive: may reduce time to be paid
- Very positive: will result in new revenue for channel
- Positive: regarded as additional revenue source
- Positive: Revenue earner + creates customer footfall

Negative:
- Very negative: will replace airtime top-up business
- Neutral: will help reduce cash handling but may be regarded as means by which exporters reduce payment terms
- Neutral: will help reduce cash handling but may be regarded as means by which exporters reduce payment terms
- Neutral: Good opportunity for franchises, more work for them
- Negative: seen by employees as more work

Refer to the Master Agent Value Proposition in Part 8 of the Toolkit for additional insight into motivations for these companies or individuals.
Bank branches, ATM networks, and microfinance networks can be a vitally important part of the agent infrastructure. In addition to adding more cash-in/cash-out points, these locations can be utilized to manage liquidity more effectively. Integration of this network is particularly important in the early stages of network build-out.
If money transfer is not a key feature of the anchor products, then building capacity in capital cities and other economic centres could be a way to build the customer base quickly while minimizing the resources that are required to deploy a nationwide network prior to launch.
If greater national reach is required, a popular strategy is to build agent infrastructure across the countries major traffic arteries. This is particularly effective if export and import networks are going to be leveraged because they send trucks across these routes on a regular basis.
When reach across the country is desired, focusing on major population centers within each province or district is mechanism to begin to reach into more remote areas. Selecting towns or villages to which people travel for marketing and purchasing purposes can increase the amount of traffic that could be driven to the agents.
The growth of the agent network needs to be tied to growth of the customer. Therefore, it is not possible to blanket all parts of the country simultaneously. Building out from central points, like the population and provincial centres just mentioned, in rings that push deeper into the countryside can be an effective way to balance numbers reached with resource constraints.
8. Chart Master Agent Locations

- Corporate
  - Mobile Operators
  - FMG Companies
- Tied business
  - Export Companies
  - Petrol Stations
  - FMCG Distributor
  - Post Offices
  - Bank Branches and ATMs
  - District Level Truckers
  - Wholesale Buyer
  - FMGC Retail Shops
  - Airtime Resellers
- Independent business
  - Individuals with Trucks

Geographical focus:
- Urban
- Provincial
- Rural
9. Score Potential Partners Against Key Metrics

**Match to Skills**
- Business management
- Financial skills
- Sales acumen
- Access to liquidity
- Ability to train

**Selection Criteria**
- No of years in business
- Trusted by locals
- Required capital
- Central location

**Value Proposition**
- No of strong motivators

**Geographic Match**
- Large number of outlets
- Overlay with rollout plan
- Urban and rural locations
- Close to banks and ATMs
10. Create Master Agent Profile

**Business description**
- Main business types
- Estimated monthly turnover
- Estimated cash float

**Customer reach**
- Number of customers:
- Types of customers:
- Frequency of visits to network

**Services to be offered**
- Customer registration
- Cash out
- Cash in
- Purchase
- Bill payment
- Airtime top-up

**Suitability**
- Geographical distribution
- Number of locations:
- Urban/rural composition:
- Match to MFSP rollout plan:
- Proximity to bank branches:
- Brand perception
- Brand/trust with customers
- Educated staff
- Security of premises
- Management
- Sales experience
- Management experience
- Potential obstacles
- Exclusive or semi-exclusive
- Sees mobile money a threat
- Financial value prop not clear
- Not highly motivated

**Merchant motivation**
- Provide additional revenue
- Offer value added services
- Increase customer footfall
- Reduce cash balance

**Estimated monthly turnover**