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FIVE QUESTIONS TO DAVID RUCHIU

Chief Executive Officer,
Kadet Ltd

1 Why are micro-finance institutions adapting use of technology to reach customers?

Use of technology to grow business has proved most effective to connect to the world. It is also a useful partner to reach out to clients in remote parts of the country, where physical infrastructure is either non-existent or poorly developed. Branchless banking is soon becoming the most effective way of reaching Africa's unbanked population.

2 Which forms of technology are you taking up and what products are provided through them?

They include use of electronic funds transfer of loans to clients' accounts from our web-banking system, use of M-Pesa money transfer service for loan repayment by our clients, and a partnership with the Kiva website to increase loan fund.

3 How has technology helped people save and access credit?

The Kadet/Kiva website partnership allows Kadet to upload profiles of customers on the website where lenders from all over the world, access and make donations to support a business based on the attached profile. Kadet receives the donation and forwards it as a loan to selected clients. Use of technology has reduced the cost of disbursing loans to clients. With M-Pesa, loan repayments are made on time and with little expense.

4 What kind of borrowers does your partner organisation Kiva look out for?

They must be micro-entrepreneurs in any type of business. Their requests must also be within the Kiva minimum and maximum limit for loans. The maximum for a group of between 15-25 people is 5000 dollars and individuals not more than 400 dollars. The minimum can be as low as 25 dollars. When clients repay the loan, the funds are returned to the lender who may choose another client or re-invest in the same client.

5 Most micro-finance institutions in Kenya seem to target women, does Kadet do the same?

We target both men and women. However, out of experience there seems to be greater demand for MFI services by women who organise themselves into groups and we are able to reach them more easily. Women also are better payers.