

# **INNOVATION: DEVELOPMENT OF AN AGRI-BUSINESS PORTFOLIO FOR RURAL COMMUNITIES**

Baboucarr Khan, CEO

Reliance Financial Services Company Limited,  
The Gambia

Advanced Leadership Program Cohort: April 2012

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## Institutional and Participant Profile

Headquartered in Banjul, the Gambia, Reliance Financial Services Company Limited (Reliance) is a non-bank financial institution that was founded in 2006. Its mission is *“to deliver innovative, value-added products and unrivalled service to our customers using state of the art technology, in an environment conducive to promoting strong organizational culture and values, which enable us to attract, nurture and retain talented staff.”* It delivers on its mission by providing innovative value added products, to low income men and women in rural and urban areas, including remittances, savings, loans and deposit accounts. Reliance also makes significant investments in the leadership development of its staff. A total of seven Reliance staff members have participated in Women’s World Banking’s leadership and diversity programs including the Advanced Leadership and Women in Leadership Programs.

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Mr. Baboucarr Khan, the Chief Executive Officer of Reliance, is a Fellow of the Association of Chartered Certified Accountants (FCCA). He has seven years’ experience as a practicing accountant as the Head of Audit at KPMG and four years’ experience in the banking industry. Prior to joining Reliance, Baboucarr served as Head of Consumer Banking with Standard Chartered Bank (Gambia) Limited for three years.

## Opportunity and Innovation

While agriculture contributes to 30% of gross domestic product and 60 - 70% of employment in the Gambia, the average farmer is unable to access credit to move from subsistence to commercial farming. With many financial institutions in the Gambia servicing the small and medium sized enterprises (SME) market, few are supporting the aspirations and needs of farmers. To address this problem, Reliance Financial Services is developing a group lending agri-business portfolio for women engaged in year round horticulture. According to the International Fund for Agricultural Development (IFAD) Gambian women account for 50% of the agricultural labor force and produce 40% of total agricultural output. Agriculture is the main source of livelihood for rural populations.

Reliance aims to help farmers make the transition from subsistence to commercial farming through an agribusiness portfolio called *“SENEELAA”* a Mandinka word for the farmer. This portfolio includes a package of financial products and non-financial services including loans, savings, business development, retirement planning, financial literacy and farming technique training.

Concern Universal, the technical implementing partner for this initiative, will offer the non-financial services. Concern will provide a market for Reliance’s clients at competitive prices, through its independent farm in the Gambia coined *Gambia is Good*. Reliance clients will receive payments from this arrangement directly into their savings accounts. The institution begins all of its customer relationships from a deposit perspective and clients must have a savings account with Reliance to access this product. Repayments will be assessed using a group based methodology taking into account production capacity in relation to the market demand as well as expert advice from the technical implementing partners.

The various components of this project, financial and non-financial, will be coordinated in a manner that will provide a holistic approach to clients – aiming to make Reliance into a *“knowledge bank.”*

## The Role of Women’s World Banking

Reliance’s Chief Executive Officer, Baboucarr Khan, and its Chief Operating Officer, Ismaila Faal, are alumni of Women’s World Banking’s Advanced Leadership Program (ALP). Baboucarr credits the ALP with propelling Reliance to make strides in generating new ideas and identifying the market opportunity for the agri-business portfolio.

## Tools and Models

At the time Baboucarr attended the ALP in April 2012, Reliance was exploring several potential innovations. The program provided Baboucarr and his team with tools, such as the consumption chain model of customer centric innovation and scenario planning, to map out the market segment and design and develop products to identify needs and maximize returns.

## Leadership Style

Baboucarr credits Women's World Banking's leadership program with influencing his leadership style, *"I was a doer, now I am making that transition from doing to leading. A lot of my work revolves around coaching those below me and helping them to do the things I had been doing in the past."*

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## Negotiation Skills

The negotiation skills that Baboucarr strengthened at the Program have helped Reliance reduce operational costs in implementing the agri-business portfolio. Negotiating with Concern Universal, they were able to significantly reduce their professional fees by presenting the value proposition that Reliance offers –leading the microfinance market in the Gambia with a 96% market share of savings and 89% market share of loans by portfolio size. Baboucarr and his team made the compelling argument that through this innovation, Reliance would be expanding Concern's supply base allowing them to dictate prices and meet or exceed demand, creating a true win-win.

Reliance's experience supports Women's World Banking's theory of change for leadership and diversity programs which posits that the likelihood of sustainable change increases when others in the organization also engage in reform efforts, so that participants do not re-socialize to old norms. The leadership and diversity team has also observed that changes at the organizational level may trigger (or be triggered by) changes at the individual level, which in turn have potential for triggering change at the industry level. Reliance also benefitted from peer learning which is an integral component of Women's World Banking's leadership and diversity programs and aims to sustain lessons learned and provide opportunities for participants to learn from high-level peers.

## Multiple Touch Points

Having two staff members represented at the ALP was critical for the institution. In the past, Reliance relied on external consultants who had limited knowledge of the local context, however using leadership models, tools and frameworks from the ALP they were able to conceptualize the innovation and institutionalize it without external assistance.

## Peer Learning

Baboucarr notes that exposure to his peers' product development ideas provided unique perspectives that were inspiring and relevant to Reliance's business and business environment. He was particularly intrigued by innovations around youth financial inclusion from Nigeria and micro-pensions from India. Reliance has since developed a micro-pension product as part of a contractual savings plan including options for savings for higher education of children, for buying or constructing a home or for retirement. There is also life insurance bundled in as an option in the event of death, permanent disability or loss of employment. The product - called "YIRIWAA" meaning well-being or prosperity in Mandinka - is currently being tested in the capital city of Banjul with high uptake.

## Results and Looking Forward

The agri-business portfolio will be piloted in 2013 in three regions of the Gambia: North Bank Region, Central River Region and West Bank Region. The pilot will begin with a business and financial literacy program followed by the extension of loans. Baboucarr believes that this innovation will take the institution's customer value proposition to levels unimagined by other players in the Gambian financial sector. On a larger scale, this project will address the Gambia's primary challenge of food security as well as improved living conditions.



## Women's World Banking

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