Panel 5: Is Human Centred Design the Key to Finding the Missing Pieces in the Pacific Financial Inclusion Puzzle?

Session Synopsis
Human centred design refers to a product development methodology which puts particular emphasis on understanding and meeting the needs of the client. It mitigates risk by deliberately creating things that are good for people by meeting a genuine need.

Human centred design and behavioural research is being used across the financial inclusion sector to build products for the bottom of the pyramid and support the work and needs of regulators, providers and end users.

People need financial services to harness and channel their creativity and energy, such as savings to provide resilience in dealing with fluctuations, insurance to help recover from disasters and unforeseen events, payment systems to enable trade and engagement in the community, and credit to help progress their idea or grow their business.

### The three levels of human centred design

Useful and viable product design takes place at three levels:

- **The first level is designing great products, services and, experiences** for people (such as savings clubs). Apart from the product itself are the challenges of the provider establishing the trust of the customer, and having access to infrastructure.

- **The second level is the design of organisations** (financial services providers) and a culture that supports design of great experiences (with empathetic leaders, relevant KPIs, and effective organisational structures, etc.).

- **The third level is the ecosystem** – the customer experience touches on many organisations. The challenge is how all organisations involved in the ecosystem can work together to accelerate financial inclusion.
The challenge of convention

Human centred design can face challenges within organisations: a preoccupation on the financial outcome or building a business case before knowing what it is the customer wants; pursuit of short term returns by shareholder, boards, management and staff; presumption by people of influence that they know what the customer wants or needs, and focus on promoting product features rather than customer benefits in marketing campaigns.

Organisations need leaders who understand the importance of products meeting customer needs, as well as financial, shareholder and market considerations, and create space within the organisation for new product design that is quarantined to a degree from these competing interests.

While the focus should be customer centric, products and services must also be good for the organisation – they have to be financially viable and technically feasible.

The prudent approach is to place ideas in front of potential customers and test these before the solution is built or even developed. The earlier in the process that ideas are tested, the lower the potential cost of product failure.

The simple approach that applies to both existing and potential markets, is to identify potential client segments and the product or service they need. Once the need is identified, production, operational and delivery requirements can be mapped out, and cost, revenue and other financial considerations identified, to determine whether the product is viable and sustainable in the market.

There may be a range of factors affecting adoption and usage of financial products and services – competition, infrastructure, delivery, etc., but it is important to also question the extent to which the product is meeting client needs. Since microfinance is part of a service industry, customers should remain the centre of attention.
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