

'Innovation through digitization can help better everyone's life'

 [Syed Samiul Basher Anik and Mahadi Al Hasnat](#)

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Sajida Foundation's Director Md Fazlul Haque **Rajib Dhar**

In an interview with Dhaka Tribune's Syed Samiul Basher Anik and Mahadi Al Hasnat, Sajida Foundation's Director Md Fazlul Haque shared his insights into the project and how innovation can help to accelerate financial inclusion in the country

An innovative pilot microfinance program being run by Sajida Foundation is working to improve the quality of life in poorer communities by offering a diverse range of loan products customized to meet the needs of a population that cannot readily access credit through the traditional banking system.

For its pilot initiative, the foundation offers three specific solutions: mobile money based loan payment and saving services; goal-oriented term deposit products using Financial Advisory Services; and remittance from migrant borrowers.

The Sajida Foundation pilot project was awarded joint fourth position and \$5,000 in prize money by Inclusion Plus, a global competition organized by Metlife Foundation that recognizes entrepreneurs and nonprofit and other social impact organizations for their financial inclusion projects across the country.

What is the Sajida Foundation?

We are a progressive, positive, pro-poor, eco-friendly non-profit organization dedicated to our raison d'être of bringing health, happiness and dignity to the lives of the less fortunate.

Our efforts to bring about meaningful and sustainable changes are defined by our values that put family, innovation and quality, dignity, equality, inclusiveness, empowerment of women, transparency and accountability at the forefront.

Since our humble beginnings in 1987 as a small garage school for disadvantaged children, we have grown, learning with each step. Today, we offer a diverse portfolio of microcredit products alongside quality healthcare services and various social development programs for six million patrons working in 3,553 villages and cities across 20 districts with a dedicated team of 2,700 caring change makers

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We found out that Sajida was experiencing trouble in collecting savings alongside loan installments at late hours from clients, as they would already be closing their businesses at that time. It was difficult for them to deposit savings if they were far from Sajida branches.

Due to everyone's increasingly busier schedule, it often becomes difficult for people to come in person and deposit money

at the centres. The non-digitized microfinance system consumes clients' valuable work time and money.

The digitization process aims to aid such a predicament, and is also expected to reduce operating expenses.

Who benefits?

We observed that lower income people tend to save small amounts of money whenever they have it in hand. But, most of the time, they do not find an appropriate place with trust and comfort to deposit it. We mainly participated in the Inclusion Plus competition with an innovative idea to make lower income people aware of the benefits of using digital devices, and also to give them an idea of how to deposit savings at mobile money agent points.

Our primary beneficiaries are poor women engaged in income generation activities, small agricultural activities and small microenterprises.

Our microfinance program currently supports around 300,000 members in 18 districts of Bangladesh through collateral-free microcredit, microenterprise, and savings approaches.

How does the project function?

The foundation disburses loans at the branch offices and collects the weekly or monthly installments from the centre. At the centre meeting, the loan officers also give financial advice to clients, in terms of savings and investments.

Clients are alerted of their financial transactions through SMS. In this way, they can save a lot of time. Such financial inclusions are expected to ease the process of handling microfinance activity. By being able to check their balances through the mobile app, clients are more aware and motivated in keeping their savings goal focused.

As a part of financial inclusion we have undertaken initiatives at a few of our branches through microfinance mobile banking, paperless loan origination process, and financial advisory services for improved access to savings services. It is envisaged that this would help clients deposit their savings in a much easier manner.

How do you define innovation?

We define innovation as a process of doing something new in terms of developing new products or improving existing technologies, processes, designs, and marketing, in order to solve problems, increase efficiency, reach new customers, and ultimately improve the lives of people.

A person does not need to be trained to deliver innovative ideas; a person only needs to be passionate to attain his vision. However, it is also important that the right tools are in place so that the value of that innovation can be captured and decisions can be made as to what resources should be allocated and where.

Innovation is rarely a smooth process. As the world shifts to greater adoption of digital technology in our everyday lives, businesses must adapt their strategies to embrace this shift. Innovation and digital transformation are crucial, but there are some caveats. For any business - including the microfinance operation - innovation is necessary, particularly around digital transformation.

How can innovation be encouraged within an organization?

Sajida Foundation believes that defining, promoting and practising an organizational culture will popularize the innovation culture. Organizational culture is an important determinant of sustained innovativeness. We feel that organizational culture, inspiring mission and vision statements, democratic communication, safe working environment, flexibility, collaboration, incentivizing performance, and leadership, can all lead to a culture of innovation.

How is Sajida Foundation embracing digitization?

Sajida Foundation has a commitment to introduce digitization in its operations. The current Bangladeshi government has encouraged all of us, including the microfinance sector, to sustain innovation through digitization. The MFI sector offers financial services to more than 22 million poor people in Bangladesh. Bangladesh has progressed far, but it still has great potential to improve the livelihoods of the poor through innovative programs that are sustainable, cost effective, and culturally sensitive.

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