Peer to Peer & Exchange Visit Report

Fejér Enterprise Agency (FEA) and Credinfo Ltd visited CEEI-Burgos on 20th & 21st March 2014

Background of the meeting and the delegations:

CEEI-Burgos is managing a microcredits fund since January 2013. In the framework of this project it was considered interesting to be transferred Credinfo tool in order to better manage CEEI-Burgos microcredits portfolio. This process is being carried out taking into account particular needs and interests of the recipient organization in terms of environment, background and actual circumstances.

Both organizations participate in a DIFASS project, which includes the transfer of a good practice. CEEI-Burgos selected Credinfo and decided to adapt it to their needs. They intend to use the tool as managers of an actual micro finance fund.

Participants on the meeting:

From FEA: Tibor Szekfü, Managing Director
                   Éva Faragó, International Relations Manager
From Credinfo: Nándor Benczur, owner, IT Expert
From CEEI-Burgos: Juan Carlos Martinez Barrio, Project Manager
                   David Tome Puente, Junior Expert
                   Yolanda Alonso, IT Expert

The President of the Spanish Microfinance Association, **Jaime Duran Navarro** also participated in the meeting and provided an invaluable input for the further development of the system in view of the long awaited new legislation concerning microfinance in Spain.

Description of the participating organizations:

The **Centro Europeo de Empresas e Innovación de Burgos** (CEEI-Burgos) is a non for profit organisation formed in 1994 by the following partners: Agency of Economic Development of Castilla y Leon, City Council of Burgos, Provincial Government of Burgos, Caja de Burgos and Caja del Círculo de Burgos (Saving Banks), Technological Institute of Castilla y León, Federation of Burgos Managers Associations and Association of Burgos Young Managers.

CEEI-Burgos is an active member of the European Business and Innovation Centre Network (EBN), working also under ESINET framework (European Space Agency Business Incubation programme). CEEI-Burgos is member of other organisations such as ANCES (National Association of Spanish BICs), PAIT (Spanish official network for creation of new companies) and PIDI (Spanish R+D+I network).

The main services offered by CEEI-Burgos are the following:

- Incubation facilities: 4,981 m2,
- Entrepreneurs and SMEs services (business plan, advising and mentoring).
- Training and e-learning.
- National and international co-operation.
- Regional, rural and local development.
- Renewable energies, biotechnology and innovative SMEs promotion and development.
- Promotion of innovation and technology transfer.
- Microfinance services.

CEEI-Burgos has a broad experience, both co-ordinating and partnering, in European projects, including interregional cooperation and structural fund financed ones, such as Interreg VIC (Project DIFASS), Interreg IVB SUDOE (Project CYBERSUDOE and CYBERSUDOE'INNOV), FP7 (Project DIGIBIC), Leonardo (Project DIALE, DIAMEE, INSPIRE, TOY-VET and E-Guide SWH&S), Inter-A(Interact), Duero-Douro Programme (Interreg IIIB), E-TIC (Regional Government of Castilla y Leon, ERDF), Core Business, Resinbuil, Biobusiness, Probio (Intelligent Ennergy), Hidrosolar21(LIFE). Several projects also carried out under AL-Invest, and Asia-Invest schemes.

Key staff members to be allocated to the project will be the following:

Juan Carlos Martinez Barrio: Senior Expert and Project Manager. BA in Economics and International MBA. Project manager of several European projects in the framework of different programmes.
Jose Vicente Orden Santamaria: BA in Law and MBA. Managing Director, Senior Expert. Director of CEEI-Burgos since 1995 and managing the Business Incubator as well as the Rural Development programme of Ribera del Duero Burgalesa (1997-2007). He is also responsible for current activities and strategy of CEEI-Burgos.
David Tome Puente: BA in Economics. Junior Expert. Entrepreneurship department. Training activities implementation. Business plans and self-employment promotion.
Margarita Barriuso Munguia: Degree in Business Adminstration. Project Assistant. Administrative support for all projects in which CEEI-Burgos is involved.

FEA is a non-profit MFI that has been performing microcredit activities and providing business development services for over 20 years. Their activities are based on the Credinfo system developed by Credinfo Ltd. Both FEA and Credinfo Ltd are independent organizations but co-operate in the development of an IT system providing support and services for MFIs. The system has an internal back office system and an advanced front end, which enables the submission and receipt of loan applications online, offers an online loan assessment tool for the MFIs, and provides other Business Development Services.

The system has already earned international reputation. In 2009 it was included among the five best practices at the MICROFINANCE GOOD PRACTICES 'EUROPE AWARD' 2009 by the Giordano dell'Amore Foundation and the European Microfinance Network in the field of Innovations and Sustainability. In 2011 it won the INVESTMENT AND INNOVATION IN MICROFINANCE EUROPE AWARD in the category of Innovative Use of Technology in London.

In the DIFASS project 60 good practices were examined and two of them were considered worthy of adapting on an international level. One of them was the Credinfo system, and CEEI-Burgos selected it for adaptation.

Since the system enables the provision of high-level services for both profit-oriented and non-profit organizations, a need arose to introduce the services provided by the system more widely in Spain.

The purpose of the visit was to discuss the basic requirements necessary for the introduction of the system in Spain more extensively with the President of the Spanish Microfinance Association and the staff of CEEI-Burgos.

Lessons learnt during the visit:

During the 2-day visit, CEEI-Burgos was able to deeply analyse the microcredit software Credinfo and to compare our current analysis system to the Credinfo methodology. We managed to check some of the key features of the program in order to be able to start using the system by ourselves.

Since the program is not completely translated to Spanish yet, the first topic we discussed was the translation and how could it be carried out.

CEEI Burgos was advised about most of the features of the application. As a basis for its use, the organization learnt that the structure of Credinfo is composed by two different parts, namely FrontOffice and BackOffice.

The FrontOffice is basically the web application available to the customer. It is formed by the Online Application which is filled in by the costumer and the Online Assessment which is a 5-phase evaluation that makes a decision as a result.

The BackOffice is synchronized with the FrontOffice in order to receive the data belonging to the customer and the taken decision. The main part of the BackOffice is the Loan Application. Here the loan is taken through different stages. First it is submitted, then it can be a proposal, and finally it is approved or not. If it gets the "Approve" status, a contract is made also integrated as part of the BackOffice.

During the visit both organizations carried out the training and simulation of a loan only from the BackOffice perspective. Since the FrontOffice is not installed yet we had to assume that the process is pretty similar with the only difference that the customer fills in his own information through the web.

Even though the software had been already remotely installed in our system, some of the features of the program had to be updated during the visit in order to have the last version.

FEA also received an overview of the lending practice of CEEI Burgos, the information requested in the loan application, as well as the legal environment concerning microcredit in Spain. This information is very useful for us because it helps us to adapt the practice more widely.

The visiting organisation's plans to adapt some key lessons to its own organisation:

Since the system is developed by FEA, all the information received during the visit will be integrated in the system. As a result, the services provided by the system will be available more extensively.

From the point of view of CEEI Burgos, the following next steps will be taken:

- Translation into Spanish.
- Adaptation to the Spanish Law on Data Protection
- Include new fields and data to the software and delete the unnecessary ones.
- Adaptation to the Spanish accounting system.