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“Co-Creation for Impact
Investment in Microfinance”

Thursday, March 29th, 2012
From 3.30pm to 5.00pm

At the Salle des Conseils (ground floor)
of the Warocqué School of Business and Economics
Université de Mons – UMONS

Abstract:
The boom of microfinance and its high profits in emerging countries has raised interest in this sector of investors in developed countries. The question to be addressed is how venture capital will help this MFI scale its business and profits? Can developed country investors, facing a lack of profitable investment opportunities in the wake of the financial crisis, marry their business acumen with social responsibility towards the poor? The paper uses a case study of Riskebiz, a venture capital fund that is investing in the microfinance sector. Microfinance is a tool, among others, in development and poverty alleviation. The value of the tool is enhanced if technology and technical services are provided to the MFI as well as to the poor entrepreneur. The case illustrates that the poor are not only requiring microcredit, but also micropayments and microinsurance, as well as health check-ups. A team of complimentary partners who can standardize and deliver these services could be very useful to provide a rich experience to the customer to co-create value, growth, new revenue opportunities and new delivery opportunities to the MFI. Donors and social investors who do not have specific knowledge of emerging country markets should consider such issues before investing in microfinance funds. The receiving MFI should also try to partner with VCs who can provide the required advice.

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