MAMBU

Esperanza Revolutionises Microfinance with Mambu and AWS

Case Study

Esperanza

ESPERANZA

Esperanza, a non-profit microfinance organisation based in the Dominican Republic, was struggling to provide loans efficiently due to a legacy system that was costly and outdated. The on-premises solution required transcribing content from physical loan files, and managing loans and reporting on customer data was manual, complicated, and time-consuming. To advance the capabilities of its organisation, Esperanza turned to AWS Partner Mambu. Working with Mambu and AWS, Esperanza migrated to digital, cloud-based operations to significantly improve their loan processing speed and agility. Moving to Mambu's cloud banking platform led to dramatic improvements in management efficiency, access to data and reporting, and the ability to expand the breadth of their services.

Seeking a Stronger Foundation to Aid Economic Empowerment

For the past 25 years, **Esperanza's** mission has been to free families from poverty and share its religious message. Their comprehensive approach includes providing communities with access to capital, preventative healthcare, education, and financial services. A large part of their work is providing micro and small business loans to entrepreneurs and families outside of the formal financial sector. They see potential in their borrowers, and work with those who are under-served and unbanked, and ready to be equipped with tools to move them toward hope-filled futures.

Fulfilling its mission was difficult with a legacy loan management system that was only accessible on site and managed by a single person. The system didn't allow mobile uploads, so loan applications were completed on paper in the field and entered manually back in the office. This made it slow and costly to review and approve applications. Similarly, data needed to be downloaded by the system developer for reporting, so reports were often outdated and difficult to use. As the organisation grew, it needed a way to track loans that were in default, and to track the non-financial services that they offered. The existing system couldn't handle these activities, so Esperanza adopted separate solutions that didn't connect with each other. This made it difficult to understand who the organisation was serving and how to improve their offerings.

Esperanza investigated several solution providers and **Mambu** appealed to them for a number of reasons. Throughout the evaluation process, Mambu was responsive, enthusiastic, and readily available to answer questions. Utilising cloud capabilities from **Amazon Web Services** (AWS), Mambu's SaaS, cloud-native, API-driven banking platform provided the flexibility to select only the lending engine, rather than requiring a big-box solution that cost more and wouldn't be fully utilised. With nearly 30,000 possible product configurations, Mambu's selection allowed Esperanza to build the technological ecosystem including specific components with the right functionality and flexibility to meet Esperanza's needs.

Redefining Microfinance for Sustainable Loan Management

Leveraging Mambu's expertise in finance operations and following a collaborative integration strategy, Esperanza migrated to the SaaS solution within six months, a process that can typically take years. The move included migrating data to a digital format that offered features to input and consolidate data more easily. The migration also facilitated data sharing between Mambu and Esperanza's existing third-party systems.

Mambu's feature-rich, flexible lending engine helped Esperanza configure new products for their customers using low-code or no-code APIs to develop and test features securely and efficiently, at scale. Mambu's cloud-based engine, powered by a variety of AWS services, provided Esperanza with lending, payment, account, and transaction solutions in a versatile, agile way. A composable module approach running on **Amazon Virtual Private Cloud** (Amazon VPC) let Esperanza repurpose and reuse components for continuous innovation at a low cost. Mambu's use of **Amazon Elastic Kubernetes Service** (Amazon EKS) to deploy containerised applications enabled Esperanza to create and distribute new loan products faster than ever before.

Real-time data pipelines and streaming applications built with Amazon Managed Streaming for Apache Kafka (Amazon MSK) facilitated the upload of Esperanza's loan application data. To ensure data was handled efficiently and securely, Mambu's solution included **Amazon CloudWatch** to monitor service performance and reliability, and **Amazon GuardDuty** to detect and prevent security issues.

Maximising Operational Efficiency and Loan Availability

By migrating content from loan files to the cloud and consolidating data across its services, Esperanza transformed its ability to access and gain insights from data. A customised, accessible interface and process automations improved operations across the board. Access to Mambu through connected solutions on mobile devices accelerated the creation of loan applications and assisted access to client information. The ability to automate loan documentation using open-source APIs reduced disbursal preparation time from two hours to two minutes. Increased access to data across loan applications and related documents enhanced financial tracking and transparency, and expanded features for the digital loan files, such as profile photos and signatures for better identification, reduced fraud. Better reporting provided increased visibility into time spent on loan processing activities, enabling Esperanza to identify areas to further improve processes and maximise efficiency.

Accelerating Business Growth and Customer Care

In addition to optimising their loan operations, Mambu's solution helped Esperanza expand the breadth of their other services. New loan types were created through no-code business logic and rules. By adding data points to client profiles, Esperanza can now track recipients of healthcare and other non-financial services to evaluate service coverage and effectiveness. A survey integration lets Esperanza solicit customer feedback to better understand their customers and create new products to drive customer satisfaction.

Rebecca Harver, MFI Digital Transformation Specialist for Esperanza, notes:

"Because of Mambu, we can reach more people more efficiently with a higher quality of service and expanded product offerings."

Continued Success with an Innovative Partner

As one of the first financial institutions in the Dominican Republic to use cloud services, Esperanza has set a precedent for implementing sophisticated technology to help customers. Esperanza has grown with Mambu since implementation and continues to benefit from their collaboration. They work together to find new ways to digitise and automate processes and are working towards integrations for credit scoring.

Mambu's frequent releases of new features bring opportunities for Esperanza to expand products and services, and Mambu's tech support facilitates Esperanza's continued growth and innovation.

Harver concluded:

"The relationship with Mambu and their customer support is outstanding, Even though we're one of their smaller customers, they always treat us with care, listen to our needs, and help us overcome any challenges."
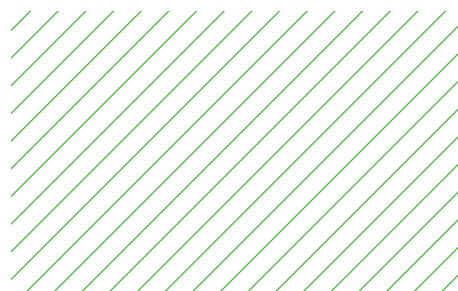
About customer

Esperanza's mission is to free families from poverty and share its religious message. Their commitment is to the poorest of the poor, providing access to capital, health and education programs, financial services, and technical assistance and financing for personal shelter.

AWS services used

Amazon MSK	Amazon VPC	Amazon EKS	Amazon CloudWatch	Amazon GuardDuty
aws	aws	aws	aws	aws

Benefits

Reduced loan disbursal preparation time from two hours to two minutes

Reduced loan processing and approval time to six days

Increased reporting accuracy and efficiency

Increased loan distribution to 12,000 loans/year following implementation

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> – Rebecca Harver, MFI Digital Transformation Specialist, Esperanza International

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About the AWS partner

Mambu is a SaaS, cloud-native, API-driven financial services platform designed to power financial innovation, bring solutions to market faster, and drive down cost barriers. Mambu aims to provide a platform for anyone who wants to create better financial experiences, and works across a range of domains such as personal lending, business lending, mortgages, trade finance, and digital wallets. It serves financial institutions of diverse sizes such as banks, credit unions, microfinance, and fintechs, and also non-financial institutions that want to offer financial services.