

Training Manual: The Basics of Financing Agriculture

Module 3.1 | Client Acquisition

Acknowledgement

The Agriculture Finance Training Manual is part of AgriFin's Agriculture Finance Training Tools. The Manual was developed by [IPC](#) - Internationale Projekt Consult GmbH as part of AgriFin's technical advisory project for Cameroon Cooperative Credit Union League ([CamCCUL](#)).

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Session Overview

LEARNING OBJECTIVE	A key success parameter for Agricultural Loan Officers (ALO) is the acquisition of clients. To effectively perform this role, ALOs need to be well prepared to make a client pitch, handle their queries, close discussions, and seek necessary information. This session provides the basic guidelines that the trainee can refer to for practicing client acquisition.
SCOPE	<p>At the end of the session, the trainee will be conversant on the following key areas of client acquisition:</p> <ul style="list-style-type: none">• Understand the key steps and considerations within the acquisition planning process• Appreciate the necessary steps to designing a creative and engaging acquisition plan that converts prospective clients into regular customers• Become aware of typical conflict issues that may come up while appreciate new client groups and the necessary skill set required to handle such complex situations
TARGET	Agriculture loan officers, financial analysts, trainers, and other professionals interested in agriculture financing
DURATION	1 hour

Content

1. Steps of successful acquisition
2. Assessing potential client market
3. Generalities about acquisition
4. Conflict management

1. Steps of Successful Acquisition

1. Plan your visit

- Who are you visiting? Who is the client? What financial problems might he/she have?
- How could CAMCCUL products respond to these problems?

2. Make the visit

- Try to talk to the owner of the company/farm
- Ask him about his experience with financial institutions and ask him about potential problems:
 - Any projects to be financed (e.g. machines)
 - Safe place to deposit funds

3. Follow up

- Call client and thank him for meeting you. If he is interested, invite him to visit the credit union
- Keep a list of visited clients and keep insisting until they visit the CU
- In case of larger clients, ask the CU branch manager to accompany you

2. Assessing Potential Client Market

- Farmers, input providers, transport companies related to agriculture
- Living in rural areas
- Family only businesses or businesses employing staff
- Businesses in operation for at least 6 months (no start-ups)

Financial reality:

- Irregular cash in-/outflow
- Dependent on harvests
- Often little collateral
- Knows little about financial concepts

2a. Client Needs

Client needs to...	Ideal financial solution
Purchase seeds, pay salaries, etc.	Working capital loan
Keep money in a safe place	Savings account
Acquire machines, cars, build a barn	Loan for fixed assets
Stay liquid during times with little revenue	Overdraft
Pay providers, receive payments from clients	Money transfers
Import goods	Import licenses

2b. Where do you Find Potential Clients?

- Use existing members (who are their clients? suppliers? guarantors?)
- Go down or up the value chain (who is the member's input provider? who buys from the member?)
- Recommendations from your members
- Farmers' associations

Be systematic, develop a strategy on how to cover your area!

3. Guiding Principles for Client Acquisition

- Develop an acquisition strategy and follow it
- Don't go to a meeting unprepared
- Dress appropriately and in clothes which make you feel confident
- Shake hands with the client and look him/her in the eyes
- Be confident
- Listen to what the client is saying
- Engage him/her in a conversation about his farm
- Weave in the questions you need answers to
- Stay calm (even if member complains about previous experiences with financial institutions)
- Always follow up on meetings and visits

4. Managing Conflicts

- Let the client bemoan high interest rates or other topics
- Listen closely what the real problem is
- Tell him that you understand that he is angry
- Offer him a solution and follow up
- If in the branch, isolate him/her in a quiet office/space
- Make the client feel that he is talking to a person who is ready to help

Do not!

- Lose your temper, even if he gets offensive or personal (“I don’t think you need to talk to me like that”)
- Offer a solution and then do not follow up
- Become defensive
- Put the responsibility onto others

For more resources please visit AgriFin's website

www.AgriFin.org

We welcome your feedback to help us further refine these training materials. Please contact us at agrifin@worldbank.org.