Chemonics International, Inc.
1133 20th Street, NW
Washington, DC 20036
Telephone: (202) 955-3300
Fax: (202) 955-7540


AMIR Program
Access to Microfinance & Improved Implementation of Policy Reform

USAID Contract No. 278-C-00-98-0029-00

---

**Off-the-Shelf Microfinance Software Applications**

**Submitted to:**
United States Agency for International Development

**Submitted by:**
Chemonics Interntaional Inc.

May 1999

---

## Introduction

This report is a follow-up of a February/March 1999 mission by the same consultant working for Chemonics-Jordan, to find a suitable off-the-shelf Management Information System (MIS) for subsidiaries of the Jordan National Bank (JNB) and the Noor Al Houssein Foundation (NHF), 2 start-up MFI's in Jordan that want to start micro-finance operations in June 1999.

During the February/March 1999 mission, the consultant recommended that the start-up MFIs should initially use an off-the-shelf software solution. This report presents the findings of a survey and an assessment of the available alternatives.

Earlier reports from others (Waterfield, Charles 1996, "Assessing and selecting loan tracking software systems", New York, Women's World Banking and Ferrand, David and Havers, Mark 1997: "Information System for Micro-Financial Services", Durham UK, The Springfield Centre for Business in Development) have indicated that there is no perfect software program available for micro-finance institutions and that there is only one product that comes close to good software industry standards for an off-the shelf product: Microbanker. We are currently in 1999, new software packages have seen the light and others have been further developed to suit the divers needs of the micro-finance sector.

This study starts from the suppliers side and takes a look at what is available on the market. Only off-the-shelf packages have been included for review. A larger number of software packages were examined than those included in the Waterfield and Ferrand/Havers studies and the following corporate producers of (micro-) finance software were contacted:

## Products and Contacts

| Product Name | Company | Address | Contact | Phone | Fax |
|---|---|---|---|---|---|
| Credit Department | Samoyed House | PO Box 766, Zephyr Cove, NV 89448, USA | John Phillips | 702-5882154 | 702-5882154 |
| Cubis4 | Fern Computer Services | Kennedy Enterprise Centre, Belfast BT11 9DT N Ireland | P.E. Scullin | 44-1232-808000 | 44-1232-808001 |
| Emerge | DBS | PO Box 16132, Vlaeberg, 8018, South-Africa | Murray Gardiner | 27-21-4234938 | 27-21-4244179 |
| GMS | RLSS | 10559 Metropolitan Ave, Kensington, MD 20895 | Liz Collins | 301-933-3500 | 301-933-3502 |
| LFS | LFS Luso Financial Systems | Stahltwiete 10, 22761Hamburg, Germany | Volker Visarius Anja Peters-Freitag | 0049-40-85399519 | 0049-40-8502326 |
| LoanLedger+ | Dynamic Interface Systems Corp. | 5959 W. Century Blvd. Suite 1200 Los Angeles, CA 90045 USA | Traude Christenson | 1-310-5684567 | 1-310-5680740 |
| Loan Manager Plus | Trackitsoft | | Steven A. Plotkin | 603-2499917 | 603-2499921 |
| Loan Performer | Crystal Clear Software Ltd. | PO Box 7463 Kampala, Uganda | Hans Verkoijen | 256-41-268675 | 256-41-349274 |
| Loan Base Servicer | Lender Support Systems Inc. | 8265 Vickers Street, Suite A, San Diego, CA 92111-2106 USA | Dan De Marco | 619-2687100 | 619-2687111 |

| | | | | | |
|---|---|---|---|---|---|
| MicroBanker | FAO/Marketing and Rural Finance Service | AGSM, Via Delle Terme di Caracalla, 0100 Rome, Italy | Ralph Houtman | 39-6-52253463 39-6-52253025 | |
| NLS | Nortridge Software Inc | 17601 East 17th Street Tustin, California 92780, USA | | 714-5737988 | 714-5730297 |
| PMS | Anchor Commercial Services | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Quickbooks Pro | Intuit Inc. | PO Box 995, Dept AA 219, London, EC1AY Great Britain | | 1-800-224-0991 | |
| Sage Instant Accounting | | | | | |
| Wall Street Office | Financial Computer Software LP. | 13455 Noel Rd. LB # 45, Suite 1150 Dallas, Texas 75240 USA | Mark T. Murray Elizabeth Haney | 972-5604420 | 972-5604420 |

Their email addresses and web-sites are as follows:

**Products and Email/Web**

| Product Name | Email | Web |
|---|---|---|
| Credit Department | Infomanager@samoyedhouse.com | www.samoyedhouse.com |
| Cubis4 | Eamon@fern.co.uk | www.fern.co.uk |
| eMerge | murray@dbs.co.za | www.dbs.co.za |
| GMS | Gms@gmsactg.com | |
| LFS | Volker.visarius@luso-consult.de | http://www.luso-consult.de/lfs/lfs.htm |
| LoanLedger+ | Traude@disc-calif.com | www.disc-calif.com |
| Loan Manager Plus | Splotkin@trackitsoft.com | www.trackitsoft.com |
| Loan Base Servicer | Dan@lendersupport.com | www.lendersupport.com |
| Loan Performer | Info@loanperformer.com | www.loanperformer.com |
| MicroBanker | Microbanker@fao.org | www.microbanker.org |
| NLS | Sales@nortridge.com | www.nortridge.com |
| PMS | | www.pms-anchor.com |
| Quickbooks Pro | | www.Quickbooks Pro.com |
| Sage Instant Accounting | | |
| Wall Street Office | Mmurray@fcsoft.com | www.fcsoft.com |

Samoyed House indicated that their product - The Credit Department for Windows - was not developed to track loans. It is a product used by companies with an extensive credit department to collect outstanding debts. It bridges the gap between a companies sales and financial system. For this reason further investigation into the software has been cancelled.

DBS with eMerge didn't want to participate in the selection because the company was too busy with "… projects that had a higher priority".

Quickbooks Pro and Sage Instant Accounting are accounting packages that do not track loans. The consultant has investigated the possibility of using them as "loan trackers" but quickly abandoned the effort because of specific short-comings. Reporting on rural versus urban, male versus female, group versus individual loans, business sector of the loan etc. would become quite complicated if only use of an accounting package was made.

RLSS informed the consultant that the company is not in a position to support their GMS system outside of the USA. This will probably be a reason not to use this program. The consultant however didn't exclude GMS prematurely from the review.

Out of the initial 15 software packages, only 11 were remaining.

The following organisations were willing to provide a demo-version of their software:
Crystal Clear Software Ltd. with Loan Performer
LFS Luso Financial Systems with LFS
Trackitsoft with Loan Manager Plus

The consultant strongly advises Chemonics and the Jordan MFI's to disregard software that they haven't seen. On paper everything might look compatible, but only when trying out a demo version, the real limitations of the program become visible. Nevertheless this doesn't mean that the list of choices should now be limited to the 3 products above. It might also be possible to see an operational system with neighboring MFI's.

The consultant evaluated the following aspects of the software:

|   | Item | Description |
|---|------|-------------|
| 1 | Reputation of the Company | Years in business, number of developers, client-base |
| 2 | Functionality-Completeness | Can the program handle savings, individual and group loans, accounting? |
| 3 | Functionality-Flexibility | What can the user change in the program? |
| 4 | User Friendliness | Dos/Windows based, Help facilities, training needs |
| 5 | Reporting | Number of standard reports, custom reports, mail-merge |
| 6 | Hardware Requirements | What is recommended (not the minimum options) |
| 7 | Support | Availability of support |
| 8 | Costs | Product, Training, Support |

All items except Hardware Requirements are rated for a maximum number of five points. If information about an item was not available, this was counted as 0 points. The ratings always carry a factor of subjectivity and not too much value should be given to these ratings. Let them just serve as an indicative factor whether a product is useful or not in a certain situation.

## 1. Reputation of the Company

| Company Profile | | | | Customer Base | | | |
|---|---|---|---|---|---|---|---|
| **Product Name** | **Registration Company** | **No of developers** | **First Version** | **Corporate Users** | **Sites** | **Countries** | **Rate** |
| Cubis4 | 1979 | 4 | 1982 | 300 | 350 | 20 | **4** |
| GMS | 1984 | 1 | 1990 | 400 | >400 | 2 | **3** |
| LFS | 1996 | | | | | | |
| LoanLedger+ | 1982 | 2 | 1983 | "Hundreds", more than 40 Fortune 100 companies | 800 | 8 | **5** |
| Loan Manager Plus | | | 1996 | No MFI's[1] | | 2 | **0** |
| Loan Base Servicer | 1982 | 10 | 1987 | 400 | 500 | 10 | **5** |
| Loan Performer | 1998 | 2 | 1996 | 5 | 15 | 1 | **1** |
| MicroBanker | | 8 | 1988 | 35 | 1000 | 26 | **5** |
| NLS | | | 1998 | | | | |
| PMS | 1988 | | 1988 | | | | |
| Wall Street Office | 1996 | 8 | 1998 | 21 | 23 | 2 | **3** |

A product that is in the market for a couple of years and that is backed by a large and reputable company is probably a better - robust - product that stands a better chance of surviving and being supported than a new product that is produced by a small company.

DISC (Dynamic Interface Systems Corp.) with Loan Ledger+ claims to be the '… first company to provide financial management software…' and today '… has more loan servicing systems on more microcomputers and networks than any other company'. Loan Ledger+ is recommended by the big 6 CPA Firms (certified auditors) in the USA.

Lender Support Systems with Loan Base Servicer has 400 corporate users with 500 sites. Apparently most users centralize their administration.

Loan Performer has started in 1996 as the 'Trust Information System' at the Uganda Women's Finance Trust but was only available as a commercial product since August last year. In 1998 Crystal Clear Software Ltd. has taken over the development of the program, renamed it 'Loan Performer' and has marketed it to other MFI's, especially in Uganda. Presto, Center for Micro-Enterprise Finance, a USAID project, is supporting MFI's in Uganda who want to work with Loan Performer.

Microbanker also has a reputable record with about 35 clients with more than 1000 installations in 26 countries. There is one client (the Private and Cooperative Banks in the Philippines) that takes up 460 sites. But still their average per site is much higher than for Loan Base Servicer. Apparently Microbanker is more used in a de-centralized environment.

**Products Recommended for Organizations with:**

| Product Name | Organisation | Max No of Clients/Acc |
|---|---|---|
| Cubis4 | Credit Unions | More than 10,000 accounts |
| GMS | | 10,000 clients |
| LFS | | 100 Million |
| LoanLedger+ | Mortgage Bankers, Finance Companies, Banks, General | 2 Million |

---

[1] "We have shyed away from it (MFI's) due to lack of field support."

| | sevicers or "any organization that lends money" | |
|---|---|---|
| Loan Manager Plus | Banks, Mortgage & Finance Comp., Construction Lenders, Trusts & Foundations, etc. | Up to 10,000 accounts (if Access backend is used) |

| | | |
|---|---|---|
| Loan Base Servicer | Mortgage & Investment Comp. Banks, Credit Unions, Civic, corporate and private lenders, Cities & Counties, Insurance, Consumer Finance | 100,000 clients, 200,000 loans |
| Loan Performer | Micro-Finance Institutions | 300,000 clients per Branch, 200,000 loans per Branch |
| MicroBanker | Micro-Finance Institutions, Banks | 99,999 clients per branch 99,999 loans per product 99,999 savings accounts per product, max. 99 products |
| NLS | | |
| PMS | | |
| Wall Street Office | Traditional Banks, Money Management Firms, Insurance Companies, Brokers/Dealers, Trustees/Custodians | No limit |

Except Loan Performer and MicroBanker, there are no software applications that specifically target Micro-Finance Institutions.

All packages have enough capacity to accommodate for the needs of NHF and JCB, at least in the startup phase. The MicroBanker SRTE version might reach its limits after about 3 years of operations.

## 2. Functionality - Completeness

**Functionality (Completeness - 1)**

| Product Name | Individual and Group Loans separately | Savings | Loans | Accounting | Export to 3$^{rd}$ Accounting Package | Other |
|---|---|---|---|---|---|---|
| Cubis4 | Yes | Y | Y | N | Y (Pastel) | Time Deposits Payroll |
| GMS | Yes | N | Y | N | Y (GMS Accounting) | yes |
| LFS | Yes | Y | Y | N | | Money Exchange |
| LoanLedger+ | Yes, loans can be grouped | N | Y | N | N | Many other modules |
| Loan Manager Plus | | | | | | |
| Loan Base Servicer | No | Y | Y | N | Y (SBT) | No |
| Loan Performer | Yes. Tracks group loans at group level | Y | Y | Y | Y (SBT) | No |
| MicroBanker | Yes | Y | Y | Y | N | • Shares Accounts (for credit unions)<br>• Time Deposits |
| NLS | | N | Y | | | |
| PMS | | | | | | |
| Wall Street Office | Yes | Y | Y | For cash: Yes, otherwise No | Y | Accounting Module Collateralized Loans Credit Derivatives |

The functionality of handling individual and group loans separately originates in most packages in the option to create user-definable categories to classify loans (or clients). E.g. code 1 can be an individual loan while code 2 can be a group loan. Whether you enter each loan to a group member or you track only the loan to the whole group, this gives difficulties. In the first case it becomes difficult to know which members belong together and form a group (you probably have to resolve this with another code). In the second case, if you enter only group loans at the group level, you loose information regarding your target group (male/female etc.).

Loan Performer handles this differently. You can enter loans to individuals and loans to groups separately. Loans to groups are broken down into the different pieces that each member has received and you will have to enter the loan amount for each member, the gender of the person, the business sector for which this loan is used and whether this is a first, second, third, etc. loan for this member. However you don't see the name or number of the member. It serves just for target group reporting. Repayments are entered at the level of the whole group. The idea behind this is that group loans are cheaper to handle for the MFI than individual loans if the administration is done by the group themselves.

Integration with accounting is regarded as a big advantage. Not all packages support this option. If this option is not available, it should at least give export facilities to standard accounting packages. Cubis4, GMS, Loan Base Servicer and also Loan Performer have standard export modules to specific accounting packages. They would have to be developed if the MFI would like to work with other accounting packages.

The demo version of LFS showed major setbacks in the program. First of all the installation didn't create a program group. It installed a LFS directory on the windows desktop. The screens gave a mixture of English and Spanish. The whole help-system was in Spanish. Help is not accessible from the menu. The consultant wasn't able to enter groups. On several occasions LFS gave errors messages, indicating that this product is not yet ready for marketing. For the consultant enough reasons to drop this alternative.

In Wall Street Office cash accounting is integrated and automatically updates the GL. The other types of accounts (e.g. 'Interest Receivable') are handled through an external accounting module. Wall Street Office has an 'Add-In'

accounting module that creates journal entries and facilitates the export of this information into a proprietary accounting system or the FCS accounting module.

## Functionality (Completeness - 2)

| Product Name | Cheques | Separate Loan Funds | Multi-Currency | Languages | Security | Rate |
|---|---|---|---|---|---|---|
| Cubis4 | Yes | Yes | Yes (for Treasury Manager) | English | Audit Trail | 4 |
| GMS | No | Yes | No | English | Password | 1 |
| LFS | | | Yes | English, Spanish | | 2 |
| LoanLedger+ | Yes | Yes | Yes (workaround) | English | Password Protected | 3 |
| Loan Manager Plus | | | Yes | | Security Logs for Add, Update and Delete | |
| Loan Base Servicer | Yes | Yes (Loan Funds are seen as "Investors") | No | English | 'Elaborate Security Features', 'the best in the lending industry' | 3 |
| Loan Performer | Yes | Yes | No | English | Different access levels Automatic recovery from power failures Audit Trail | 4 |
| MicroBanker | Yes | Yes | SRTE: No EXTE: Yes (workaround) | English, French, Spanish, Russian, Thai | Teller numbers, Password protected, Record-level data security, 7 levels of access control, Automatic data recovery after system crash, Audit trail of modifications Daily account listings 7 generations of backups | 4 |
| NLS | | | | | | |
| PMS | | Yes | | | | |
| Wall Street Office | No | Yes | No | English | 'Standard database security' | 2 |

About all applications handle checks and separate loan funds. Some are multi-currency and some are available in other languages than English. Security items differ from simple password protection to audit trails, backup facilities and data protection against system crashes. The security items are considered more important than the other items.

Wall Street Office doesn't handle cheques, which is a serious omission.

The MicroBanker SRTE version has no options for multi-currency. For the EXTE version add-ons have been written to make this possible.

ACC in Jordan has customized the EXTE version of MicroBanker to suit their own needs. This version has an Arab language file. It might be possible to swap this standard English file with this one in the standard EXTE. However it is not known how much ACC has tailored MicroBanker's messages to its own circumstances. Also the manuals would still be in English.

## 3. Functionality - Flexibility

**Functionality (Flexibility - 1)**

| Product Name | User Definable Fields Clients | User Definable Fields Loans | No of Decimal Places | Max Digits Balances | Max Digits GL Balances | GL Accounts |
|---|---|---|---|---|---|---|
| Cubis4 | Yes (clients and / or loans) | | | 13 | 13 | 999 main accounts 999 sub-accounts |
| GMS | Yes (64, optional) | | 2 | 6 | N/A | N/A |
| LFS | | | | | | |
| LoanLedger+ | Yes 50 user-definable fields | | 4 | 14 | N/A | 16 characters |
| Loan Manager Plus | Yes | Yes | | | | |
| Loan Base Servicer | Yes (clients and / or loans) | | 2 (for interest 3) | 8 | N/A | No Gl |
| Loan Performer | 3 user definable categories | 3 user definable categories | 0 | 7 | 11 | Predefined: 6 digits serial no, 1 digit department, 2 digits funding agency, 2 digits branch code |
| MicroBanker | 4 classification codes of 3 digits | 3 classification codes of 3 digits | 2 or none | 15 | 17 | Numbers and/or alpha num. Max 9 characters |
| NLS | 48 user defined | | | | | |
| PMS | | | | | | |
| Wall Street Office | Yes | | 4 | 15 | 15 | |

GMS, LoanLedger+ and NLS all have big numbers of user-definable fields. These make customisation of the software easy.

Loan Performer doesn't have decimal places. This will be included in the next update. In the Jordan system 1000 Cedis go into one Dinar, so the software should at least provide 3 decimals.

The maximum number of digits for a loan account shouldn't be a problem with any program. GMS has only 6 digits which accommodates for loan balances up to 999,999 Jordan Dinar.

**Functionality (Flexibility - 2)**

| Product Name | Disbursements | Installment Periods | Repayments | Rescheduling |
|---|---|---|---|---|
| Cubis4 | In Installments In cash or by check | Daily, weekly, bi-weekly, monthly, quarterly, half-yearly, annually (not half-monthly and bi-monthly) | Cash, check | Yes, no limits |
| GMS | In Installments In cash only | Weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annual, annually (not daily) | | Yes, no limits |
| LFS | | | | |
| LoanLedger+ | In Installments In cash or by check or in kind | Weekly, bi-weekly, semi-monthly, monthly, semi-monthly, quarterly, semi-annual, annually | Cash, check or kind | Yes with Scheduler++ module |
| Loan Manager Plus | | daily, weekly, monthly, quarterly, semi-annual and annual | | |

| Loan Base Servicer | Not in installments In cash or by check | Weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually, annually | Cash, check | Yes |
|---|---|---|---|---|
| Loan Performer | In installments In cash or by check | Weekly, bi-weekly or monthly | Cash, check or from savings acc | Yes |
| MicroBanker | In installments In cash, check or kind | Daily, weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, four-monthly, semi-annually, annually | In cash, check or voucher | Yes, with or without interest capitalization, with or without increase in loan amount, with or without change in installment schedule |
| NLS | | | | |
| PMS | In installments | | | |
| Wall Street Office | | Any period | Cash only | Yes, no limitations |

Only Loan Base Servicer doesn't allow to disburse in installments.

The installment periods of Loan Performer are rather limited compared to the other programs.

For Wall Street Office repayments by check could be possible if user defined fields were defined for this purpose.

**Functionality (Flexibility - 3)**

| Product Name | No of days/year | Installments and Interest |
|---|---|---|
| Cubis4 | 360 | • Declining Balance only |
| GMS | 360 or 365 | • Daily (?) <br> • Amortized |
| LFS | | |
| LoanLedger+ | | • Simple interest <br> • Actuarial <br> • Rule of 78 |
| Loan Manager Plus | | |
| Loan Base Servicer | 360 or 365 | • Fixed <br> • Interest only <br> • ARM <br> • Variable <br> • GPM <br> • 78's <br> • others |
| Loan Performer | Any day between 360 and 365 | • Flat rate or declining balance or fixed (Excels PMT function) <br> • Interest up-front or in equal parts <br> • Interest calculation in days or according to installment period |
| MicroBanker | 360, 365 | • annuity installments whereby sum of principal and interest is equal <br> • fixed principal installments with interest on declining daily balance <br> • fixed principal installments with flat interest on starting balance using either the daily interest or a periodic interest calculation <br> • deduction of interest in advance for loans with single repayment |
| NLS | | |
| PMS | | |
| Wall Street Office | 360 or 365 or ACT | • fixed rate <br> • floating rate |

ACT indicates interest calculation in leap years.

The loan repayment schedule possibilities of Cubis4, GMS, LoanLedger+ and Wall Street Office are rather limited.

**Functionality (Flexibility -4)**

| Product Name | Up-Date of GL | Basis for Accounting | Overall Rate |
|---|---|---|---|
| Cubis4 | Export via Batch | Accrual or Cash | 3 |
| GMS | Export to GMS Accounting | N/A | 4 |
| LFS | | | |
| LoanLedger+ | On-line, real-time | N/A | 4 |
| Loan Manager Plus | | | 3 |
| Loan Base Servicer | Allows instant posting, batch or modified batch payment entry | Cash Basis | 2 |
| Loan Performer | Immediately | Cash Basis | 4 |
| MicroBanker | End of the Day | Choice of accrual or cash basis for performing loans with separate option for non-performing loans and penalties. | 5 |
| NLS | | | |
| PMS | | | |
| Wall Street Office | | Accrual or Cash | 2 |

Transactions are either posted directly or via a batch at the end of the day.

The basis of accounting is either accrual or cash basis. Sometimes the user has a choice of the method to be used.

4. User-Friendliness

**Installation and Training**

| Product Name | Installation/configuration by MIS person | Training | (On-Line) Help | Rate |
|---|---|---|---|---|
| Cubis4 | No assistance needed | About 10 minutes, a multimedia CD is available for training | User Manual, Training Notes, On-line Help, Training CD's | 5 |
| GMS | Assistance needed | Yes, needed | On-Line Help | 1 |
| LFS | Error: no program group created | Junior: 3 weeks (installation, reports) Senior: 6 weeks (installation, reports, data migration, maintenance) | On-Line Help (in Spanish), no manuals | 1 |
| LoanLedger+ | No assistance needed | So easy that it is done "over the phone" | Manual | 3 |
| Loan Manager Plus | | Easy to learn and intuitive | On-Line (needs IE4) | 4 |
| Loan Base Servicer | No assistance needed | Recommended, in your office/at LSS/conference calls | Yes, also printed manual | 3 |
| Loan Performer | No assistance necessary, though available if needed | 2 days | Yes | 4 |
| MicroBanker | External assistance is needed for the setup of a multi-teller system (SRTE as well as EXTE) | For SRTE training can be minimal For EXTE 2 weeks | Installation Manual and User Manual Available | SRTE: 2 EXTE: 1 |
| NLS | | | Yes | |
| PMS | | | | |
| Wall Street Office | Implementation and installation by FCS. Training for 2-3 days, the program is 'extremely user friendly" | | Yes, as well as manual | 2 |

For a good software program, no training should be needed. At least installation/configuration should be handled by the MFI. For Microbanker and Wall Street Office this is not the case.

Training should be limited to a few days maximum. LFS and MicroBanker (EXTE) require extensive training.

A minimum requirement is an on-line help facility. MicroBanker is one of the few remaining applications that doesn't have this facility. It has still a text-based interface. It is a Dos based program with all the inconveniences that come with Dos.

## 5. *Reporting*

| Product Name | Standard Reporting | Data Format | Report Generator | Mail-Merge | Rate |
|---|---|---|---|---|---|
| Cubis4 | | DBF | Yes | Library of letters for mailmerge | 3 |
| GMS | 8 reports | TXT | Yes | | 2 |
| LFS | | DBF | | | |
| LoanLedger+ | Over 50 reports | 'compiled' | Yes | Yes | 4 |
| Loan Manager Plus | Over 60 reports | | Yes | | 3 |
| Loan Base Servicer | 266 reports Emphasizes Management by Exception: all reports can be printed in a variety of ways | DBF | Yes | User-defined delinquency letters can be generated automatically | 5 |
| Loan Performer | About 50 standard reports | DBF | Yes (if ordered) | Warning letters can be generated automatically | 4 |
| MicroBanker | About 30 reports | DBF | No | Yes | 1 |
| NLS | | | | | |
| PMS | Over 30 reports | | | User-defined delinquency letters can be generated automatically | 2 |
| Wall Street Office | Over 50 reports | MS Access/MS SQL Server/Oracle | Yes | No | 3 |

The availability of a report generator is an absolute necessity for a loan tracking software, especially if the standard reporting features are limited. Loan Base Servicer comes with an exceptional number of 266 standard reports. One may wonder how this is calculated.

Reporting is a mayor problem with Microbanker. Not only are the reports that come with the program very limited but in addition no documentation regarding the database is available and a report generator is missing. MicroBanker advises the Crystal Clear Report writer, which is not a very user-friendly report writer.

The study of David Ferrand and Mark Havers on MIS systems shows the same limitation with MicroBanker: "One medium-sized MFI pointed to a number of weaknesses in Microbanker… the comment was: 'The core system [Microbanker] is poorly designed. Data entry is difficult, reporting is non-existent: 95 percent of our reports are internally written.'" The database is hardly documented, making report-creation a difficult exercise (see "Small Enterprise Development" Vol. 10 No. 1, page 15).

The database format should preferably be a format that can be accessed from other software applications (Excel, Access, etc.). The compiled format of Loanledger+ is therefor not a good format.

## *6. Hardware Requirements*

| Product Name | Development Platform | OS | Proc | Ram | Printer | Client-Server |
|---|---|---|---|---|---|---|
| Cubis4 | Foxpro for Windows (16 bits) | Win98, NT | Pentium | 128 MB (server) 64 MB (workstation) | Laser | As Well |
| GMS | Basic | Dos, Win95/8, NT | 486 | | Laser, dot-matrix | As Well |
| LFS | Visual Foxpro | Win95/98, WinNT, Novell, Unix, Linux | Pentium | 128 MB (server) 64 MB (workstation) | Laser or Pins | |
| LoanLedger+ | VB and Assembler | Win95/8, WinNT, Novell | 486 | 256 (server) 64 MB (workstation) | Laser | As Well |
| Loan Manager Plus | VB 6.0 (32 bits) | Win95/8, NT | Pentium | 128 MB (server) 16 MB (workstation) | | As Well, only SQL-Server |
| Loan Base Servicer | Foxpro 2.6 for Windows (16 bits) | Win3.1/Win95/8, NT, Novell | Pentium, 166 Mhz | 32 MB | HP compatible | Only File server |
| Loan Performer | Visual Foxpro 5.0 (32 bits) | Win95/8, NT, Novell | Pentium | 16 MB | Laser | Only File server |
| MicroBanker | Clipper (16 or 8 ? bits) | MS Dos PC | 386 | 4 MB | SRTE: Epson Compatible EXTE: others | Only File server |
| NLS | | Win95/8, NT, Novell, Unix | | | | As Well |
| PMS | | MS Dos PC | 486 | 8 MB | | |
| Wall Street Office | Visual Basic 5 | Win 95/8, WinNT | Pentium | 128 MB (server) 64 MB (workstation) | Any type | As Well (Oracle, SQL Server, Access) |

Although some packages might run in a peer-to-peer network (Loan Base Servicer, Loan Performer, Microbanker, PMS, etc.) it is not recommended because of the limited possibilities of transaction handling of peer-to-peer networks. If during a file-write the connection in a peer-to-peer network is lost, the database might get corrupted and the backup has to be recovered. In a Novell (version 3, 4 or 5) or a NT network, the file server takes care of correct file writes and a broken link in the communication doesn't corrupt the datafiles. For our situation this implies that for a start each office uses one single stand-alone computer for loan tracking and later graduates to a file-server network (and skips the peer-to-peer network as envisaged before).

LoanLedger+ also requires Btrieve Client/Server Engine v6.15 for Netware or WindowsNT (for the file server as well as for the client/server version).

Wall Street Office is a "distributed" application, meaning that it can be installed on several servers and each server can be configured to do part of the work.

## 7. Support

| Product Name | No of (in-/ external) support staff | No of support sites per support staff | Support by | Free Period | Rate |
|---|---|---|---|---|---|
| Cubis4 | 4 | 175 | Phone/Modem | With annual fees | 2 |
| GMS | 6 | 70 | Phone/Fax | | 3 |
| LFS | | | | | |
| LoanLedger+ | 2 | 400 | Phone | | 1 |
| Loan Manager Plus | | | | With annual fees | |
| Loan Base Servicer | 6 | 85 | Fax/Phone/Email/Conference Calls | First x months, then annual fees | 3 |
| Loan Performer | 2 | 7 | Mail/Fax/Phone/Email | With annual fees | 4 |
| MicroBanker | 30 | 33 | Mail/Fax/Phone/Email | 3 months | 4 |
| NLS | | | | | |
| PMS | | | Mail/Fax/Phone/Email | With annual fees | |
| Wall Street Office | 14 | 2 | Phone, Email, RAS, PCAnywhere | With annual fees | 5 |

Rating support is always difficult is you haven't had any experience with it. Because we lack a measurement of the quality of the support, we are limited to the number of support staff as the determining factor to rate support. In absolute terms MicroBanker comes first because of a 30 men support staff. However, if you take the number of sites into account, 1 MicroBanker support person has to support 33 sites. This is still not very much if you compare it to LoanLedger+ where 1 person has to support 400 sites!

The availability of local support is not taken into account here, as all suppliers are not represented in Jordan.

## *8. Costs*

| Product Name | 1-User License | Additional User | Installation | Training | Annually | Rate |
|---|---|---|---|---|---|---|
| Cubis4 | 5,950 $ (less 40% discount) plus 1,950 (less 15%) for the GL | $ 750 (less 40%) | $ 2,200 (less 35 %) plus 150 $ (less 35%) per workstation | $ 525 (less 20%) plus $ 750 for the GL (no discount) | $ 650 | 2 |
| GMS | | | | | | |
| LFS | | | | | | |
| LoanLedger+ | | | | | 19% of total investment | |
| Loan Manager Plus | $ 4,995 | $ 500 | | | $ 750 (1 license) | 2 |
| Loan Base Servicer | $ 17,400 for 4 users | $ 1000 | Easy to install | $ 750 per day | $ 4,000 includes updates and support | 1 |
| Loan Performer | $ 400 | $ 400 for up to 4 more | | | 40% of license with min. $ 200 | 5 |
| MicroBanker | $ 800 (SRTE) $ 8000 plus $ 400 per site (EXTE) | | | 2 weeks at about $ 2000 | SRTE: $ 300 plus $ 40 per hour for support EXTE: $ 1200 plus $ 80 per hour for support | SRTE: 5 EXTE: 2 |
| NLS | | | | | | |
| PMS | $ 300 plus annual fees | | | | $ 1800 (includes support and free updates) | 3 |
| Wall Street Office | Base Module is about 275,000 USD including installation and training, this is for 20 concurrent users for 1 site. | | | | 20% of license | 0 |

The Wall Street Office package is exceptionally expensive and for the consultant a reason not to include this package in the final list of recommended packages. Also Loan Base Servicer is quite expensive.

## *9. Conclusion*

The rating of the software products should not give the final answer. A product can have a high rate, but misses an essential item that makes it useless in a certain situation. With this in mind, we can have a look at the following summary table:

| Product Name | 1 Reputation | 2 Complet -eness | 3 Flexibility | 4 User- Friend- liness | 5 Reporting | 7 Support | 8 Costs | Overall Rate |
|---|---|---|---|---|---|---|---|---|
| Cubis4 | 4 | 4 | 3 | 5 | 3 | 2 | 2 | 23 |
| GMS | 3 | 1 | 4 | 1 | 2 | 3 | | 14 |
| LFS | | 2 | | 1 | | | | 3 |
| LoanLedger+ | 5 | 3 | 4 | 3 | 4 | 1 | | 20 |
| Loan Manager Plus | 0 | | 3 | 4 | 3 | | 2 | 12 |
| Loan Base Servicer | 5 | 3 | 2 | 3 | 5 | 3 | 1 | 22 |
| Loan Performer | 1 | 4 | 4 | 4 | 4 | 4 | 5 | 26 |
| MicroBanker SRTE | 5 | 4 | 5 | 2 | 1 | 4 | 5 | 26 |
| MicroBanker EXTE | 5 | 4 | 5 | 1 | 1 | 4 | 2 | 22 |
| NLS | | | | | | | | |
| PMS | | | | | 2 | | 3 | 5 |
| Wall Street Office | 3 | 2 | 2 | 2 | 3 | 5 | 0 | 17 |

The consultant has split the rating of MicroBanker into the 2 versions currently available: the SRTE and the EXTE version. The SRTE version comes out better because of the less expensive price setting and the lower installation and training requirements. However the EXTE version is the more powerful version with possibilities for extension and customisation.

Overall Loan Performer and MicroBanker SRTE come out as the best choices with Cubis4 as an acceptable alternative.

As mentioned before, the rating should not be the only measurement stick. Lets look at what is crucial and missing in certain packages in order to come up with alternatives.

RLSS indicated that they are not able to support their product GMS outside of the USA. Therefor GMS will not be included in the list of alternatives that the consultant recommends.

LFS also is not in the list of recommended products. The reason being that the product is not yet finished.

Loan Base Servicer falls off because it doesn't handle group loans.

Loan Manager Plus is not recommended because 1) no micro-finance institutions are using it and 2) the communication with the producer stopped, probably because the producer is not really interested in supporting micro-finance institutions in working with its product.

Nortridge Software Inc. hardly returned any email regarding inquiries for NLS. For this reason NLS is not recommended either.

PMS falls off the consultant's list because apart from an internet site, the company was not accessible at all.

The consultant finds Wall Street Office just too expensive for a starting micro-finance institution.

This leaves us with 4 alternatives: Cubis4, Loan Ledger+, Loan Performer and MicroBanker. Let's have a look at the strong and weak points of each:

| Product | Strong Points | Weak Points |
|---|---|---|
| **Cubis4** | • user-friendliness | • Costs<br>• No Accounting |
| **Loan Ledger+** | • 50 user-definable fields | • No Accounting<br>• No Savings Module |
| **Loan Performer** | • Accounting is integrated<br>• Strong reporting options | • Relatively small user base |
| **MicroBanker** | • Accounting is integrated<br>• Support (?) | • Dos-based<br>• Not user-friendly<br>• Reporting<br>• Extensive Training is needed |

With this table, this report has come to an end. It is now up to Chemonics, JNB and the Noor All Hussein Foundation to further discuss and evaluate the software.