

**Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)**

Funded By U.S. Agency for International Development

AMIR I Follow-on

Adaptation/Development and Implementation of a Common and Standardized
Management Information System
at Four USAID-Supported SMFIs
(SMFIs' MIS Project)

Report on Ahli Microfinancing Company (AMC)

Final Report

Deliverable for MEI Component, Task No. 310.3.1

Contract No. 278-C-00-02-00201-00

April 2003

This report was prepared by **Abu-Ghazaleh & Co. Consulting** (*Ref. AMIR Program-AMC-FRPT-15Apr2003_0*), in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.

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1 Executive Summary

The following report has been produced in response to AMC- Ahli Microfinancing Company's completion and final acceptance of the SMFIs' MIS Project. According to the contract between AMIR Program and AGCON, the latter is to produce a final report upon acceptance by each SMFI of the installed MIS and recommend whether the MIS should be accepted.

Despite the various unavoidable obstacles that caused delays in the course of this project, as well as extensions and amendments to contracts, the MIS adoption and installation, as well as testing, at Ahli Microfinancing have been completed. Accordingly, and under AGCON's supervision, Ahli Microfinancing issued its final acceptance on the 14th of April 2003, upon which the free warranty period has started.

To the best of its knowledge, AGCON confirms and further endorses the system's conformity to the specifications and standards initially agreed upon.

Under the contract between Ahli Microfinancing Company and the Contractor (Delta Informatics), in addition to its commitment towards the free warranty year, the Contractor remains obliged for the provision of the manuals associated with the MIS, which are expected to be submitted by the end of April, as well as testing to few system links and modifying few required reports. These well are done through the free warranty period.

2 Project Background

AMIR Program has chosen Abu Ghazaleh & Co. Consulting (AGCON)'s proposal in response to its Request for Proposal for the oversight and management of the development and installation of a common management information system (MIS) for the four USAID-supported Jordanian sustainable microfinance institutions (SMFIs); Microfund for Women, Ahli Microfinancing Company, Jordan Micro Credit Company, Jordan Access to Credit Project.

The project was aimed at the adaptation or development and implementation of a common and standardized Management Information System (MIS); an integrated Accounting System, Loan Tracking System (includes Loan Officers Incentive Subsystem), and a Personnel & Payroll System linked to an Attendance Tracking System, parameterized according to each SMFI's business requirements and needs.

The objectives of the oversight and management consultancy were:

- (a) Develop the specifications for a common, standardized MIS, which will serve the needs of all four SMFIs.
- (b) Assist with the writing of the tender requesting proposals from systems developers for adaptation or development, and installation of the MIS.
- (c) Assist the SMFIs and AMIR Program with the process of evaluation of the proposals and selection of the winning respondent.
- (d) Oversee development, installation and testing of the MIS.

3 Scope of Work

AGCON's scope of work included:

1. To define business requirements including high level processes, detailed business description and detailed business functions.
2. To describe the software applications specifications required for an integrated Accounting and Portfolio Tracking Information system (which is common and standard for the four microfinance institutions) that will be used as a decision support tool for the SMFIs managers, as well as a complete operation tool for the various microfinance institutions departments and facilities.
3. To prepare a final design of the functional specification of the microfinance institutions information system solution including all modules, system software, networking requirements and system integration needed to support each module.
4. To assist with writing of the tender document requesting proposals from system developers, for the procurement of information system, software and services.
5. Assist the SMFIs and AMIR Program with the process of evaluating the proposals and the selection of the winning respondent.
6. To supervise the implementation of the MIS (Development, Installation, Testing).

4 Our Approach

Phase	Activity	Description
One	1	Kick-off meetings Define schedule of interviews and appointments
	2	Interviews with different parties involved
Two	1	Identify Business high-level processes
	2	Prepare Detailed Business Descriptions
	3	Prepare Detailed Business Functions
	4	Describe System Manual Interaction
	5	Specify System Function Interfaces
	6	Provide System Function Description And Logic
	7	Specify System Function-Data Usage
Three	1	Define Required system Software
	2	Point Out Technical Support Requirements
	3	Point Out System Training Requirements
	4	Point Out Security Issues (Access, Data, Hardware.)
	5	Specify Maintenance Requirements (Hardware, Software.)
Four	1	Round table discussions
	2	Prepare Tender Documents
Five	1	Pre-Bid meeting
	2	Respond to Bidder's Queries
	3	Submission of proposals
Six	1	Produce Tender Evaluation Report
Seven	1	Supervise MIS implementation at the four SMFIs sites

5 Project Progress

5.1 Develop the specifications and standards for the MIS

AGCON developed the specifications and standards for the MIS through familiarizing itself with the MIS needs of the four USAID-supported Jordanian sustainable microfinance institutions, and in conjunction with those four SMFIS, designed an MIS which is appropriate for their needs, cost-effective and sufficiently flexible to be adapted to their evolving requirements.

The process for developing specifications and standards started with the identification of high level processes at each SMFI, followed by the development of detailed business descriptions from which detailed business functions were concluded. Based on this, system functional specifications were built.

While AGCON delivered the specifications in accordance with the pre-set time scale, unavoidable delays were created until agreement among the four SMFIs on the developed common standards was achieved.

5.2 Produce and submit tender for MIS adaptation/development

The results of the initial step were then presented in the form of a Request for Proposal, requesting proposals from system developers, for the procurement of information system, software and services.

The RFP further included definition of the required system software and software development tools, in addition to other requirements to be offered by the contractor including technical support, training, security issues and maintenance.

5.3 Evaluate tender responses and recommend which response to accept.

In association with AMIR Program and the SMFIs, AGCON recommended and short listed three bidders out of the 8 received proposals.

AMIR Program and the SMFIs granted the bid to Delta, which has scored second technically and second financially.

While the process of releasing the tender, receiving responses and evaluating proposals went smoothly, there were later on delays in developing the contract between the winning bidders and each of the SMFI.

5.4 Oversee Vendor Adaptation/Development of MIS

The original contract (Contract No. 278-C-00-98-00029-00) was intended to terminate on the 7th of January 2002. Yet, during development, the schedule of the project was modified several times to contain delays caused by time and effort conflicts between conducting the project and carrying out AMC's daily business. Upon completing the first, second, third and fourth phases of the project, a subsequent contract (Contract No. 278-C-00-02-00201-00) between AMIR Program and the AGCON was designed to continue the balance of the original contract and to accommodate the inevitable required extension of the project time schedule through setting an alternative starting and ending dates for the final phase "Oversee installation and testing and recommend whether MIS should be accepted". Yet, the contract did not take into consideration the additional required working hours to proceed with the consulting work (phase 4). The intended completion date for that contract was 01 April 2002.

However, this was not sufficient to accommodate the increasing demands at the AMC as well as the other SMFIs. Again, various unavoidable reasons stood against achieving the proposed date. These ranged from AMC's internal decision to feed all the historical data of the past four years to Delta's overload, to delays in communication responds between all involved parties. Since then, AGCON was committed to supervise the project, and to achieve client satisfaction and project success though continuing to offer its complimentary consulting services beyond the anticipated time scale of the project until the 31st of June 2002.

After the 31st of June 2002, and in order to put an end to the above, a final amendment to the contract has been initiated. AMIR Program and AGCON mutually realized the need of further extending the involvement of AGCON in supervising and supporting the project, which normally tend to be more demanding during the final stage. All parties, including AMIR Program, AGCON and AMC, recognized the final absolute deadline of 31 December 2002 for completing the entire project.

As of 1 July 2002, 206 working hours of AGCON involvements were estimated to complete the entire project at AMC. These were distributed as shown in Appendix A.

We should also mention here that unlike the other three MFIs, we couldn't sign a Memorandum of Understanding with AMC; this is because we couldn't obtain the specific remaining issues as well as the expected date for the final acceptance; they have explained that while testing they may come across other issues not mentioned in the Memorandum of Understanding, and fixes may result in other problems.

5.5 Testing

While AGCON have ensured through the course of the project that specifications conform to those stated and initially agreed upon in the RFP, the final testing phase re-assured both AGCON and AMC that specifications has been all achieved in addition to many new requirements. Some minor differences were found as a result of changes and requests required by the AMC during the course of this project.

In addition, testing phase included other areas of focus, such as audit reports, validations and controls on fields, indexing, integration, etc. A checklist was developed to ensure all aspects and specifications have been implemented and tested.

6 Acceptance

AMC has submitted its final acceptance on the 14th of April 2003. A copy of the final acceptance is available in Appendix B.

It is also worth mentioning that the AMC has thoroughly tested all the MIS modules in the process of their daily work, as well as while entering the data of the previous four years and adding new requirements to the modules, the remaining issues are to fully test the system integration and modify few required reports layouts.

Finally, most of the remaining minor issues are based on decisions and formulas, which have to be provided by AMC management

7 Conclusion

Finally, AGCON has tested most aspects of the MIS and confirms their correspondence to the initially developed specifications, and analyzed business requirements, and that they match up to the expected quality and standards such as integrity, user friendly, etc.

User manuals are yet to be developed by Delta. These manuals are expected to be submitted by the end of April 2002.

8 Recommendations

We recommend that As per the SMFIs' inquires, AGCON has facilitated the communication between the SMFIs and a training center (PROTAG Online) to arrange for possible Oracle training courses.

Regarding the source code, AMC is still to decide whether they need to purchase a copy of the MIS source code for the price of 10.000 JDs or not.

AGCON's recommendation is to utilize Software Source Code Escrow. The concept of this service is to deposit the source code at a trusted third party, which ensures that the Source Code is released to AMC only when necessary, in accordance with an agreed upon set of conditions. The cost of this service ranges around 2,000 US Dollars annually.

9 Appendices

- **Appendix A Time Distribution**
- **Appendix B Final Acceptance**

Appendix A: Time Distribution

The time (working hours) that was required to complete the MIS project at AMC as of 1 July 2002.

	Working Hours
AMC	206

(a) Total Required Time

	Working Hours
AMC	169

(b) Follow-up Time

	Working Hours
AMC	37

(c) Testing Time

Appendix B: Final Acceptance

كشف استلام نهائي

<p>اسم العميل : الشركة الاهلية لتبني وتمويل المشاريع الصغيرة</p> <p>اسم النظام : نظام حاسبة المخصص بنظام المداير ونظام شؤون الموظفين ونظام المحاسبة</p> <p>تاريخ الاستلام : ١٥ - ٤ - ٢٠٠٣</p> <p>اسم المسؤول المباشر : محمد ابراهيم</p>	<p>اسم العميل</p> <p>اسم النظام</p> <p>تاريخ الاستلام</p> <p>اسم المسؤول المباشر</p>
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ملاحظات:

تم استلام وتبني واستخدام وحقق الاقطة المبنية اعلاه
 وتتم عملية ربط الاقطة ببعضها في عملية (Integration)
 والتأكد من ان كافة التقارير المستخرجة تعكس واقع العمل
 في الشركة .
 وقد وافقت شركة ولما على الالتزام بالواجب تبنيها بالخدمة
 المبنية . وعليه ذلك تم استخدام الاقطة استلاماً من قبل العميل .

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