

TERMS OF REFERENCE

FEEDBACK AND IMPROVEMENT SURVEY ON PARTICIPATING FINANCIAL INSTITUTIONS

Reference No: NG-DBN-289302-CS-CQS

Conducting a Feedback and Improvement Survey on Development Bank of Nigeria's Participating Financial Institutions

I. Background

The Development Bank of Nigeria (DBN) Plc. was conceived by the Federal Government of Nigeria (FGN) in collaboration with global development partners, to address the major financing challenges facing Micro, Small and Medium Scale Enterprises (MSMEs) in Nigeria. In addition to providing funding and risk-sharing facilities to MSMEs and small corporates through Participating Financial Institutions (PFIs), the DBN has a mandate to build the capacity of MSMEs in Nigeria. This is to ensure MSMEs are well equipped with skills and competencies required to defend sound and viable business proposals, improve their capacity to access available credit, for efficient funds utilization, trade, investment, and access to markets. From two (2) Micro-finance banks at commencement in 2017, DBN has increased its total number of on-boarded Participating Financial Institutions (PFIs) to twenty-six (26); and as of October 2019, DBN has disbursed 100 million Naira to 95,000 MSMEs. In addition, DBN also equips MSMEs with trainings through its Entrepreneurship Training Program. These steps deepen Financial Inclusion and drives the MSMEs, which studies have shown contribute to 50% of the National GDP.

Customer satisfaction is the measurement that determines how products or services provided by a company meet customer expectations. Customer satisfaction is one of the most important indicators of business sustainability and continued engagement. This metric was identified as a key driver for improving relationships with the Bank's customers (Participating Financial Institutions) by conducting a survey to get customer feedback and enable proactive measures to be implemented. In 2019, one of the identified strategic initiatives for the Bank was to enhance PFIs customer service experience. This has been a recurring strategic initiative annually and has been incorporated into the Bank's Key Performance Indicator for 2021.

2. Objectives and Scope of Work

The objective of this customer satisfaction survey is to appraise PFI's perception regarding the quality of service delivered by the Bank. This will serve as an input into the Bank's corporate performance for the year.

The research methodology should be categorised into 3 research objectives:

- **Customer Satisfaction:** Gauge customer's expectation and perception of DBN's quality of service in terms of ease of onboarding, ease of transaction, usefulness of products, staff attitude, speed & responsiveness and complaint resolution and make recommendations to improve quality of service.
- **Employee Perception:** Gauge employee's perception on the quality of service delivered, establish the challenges that hinder excellent service delivery, and establish the gap in actual service delivered and customer expectations.
- **Closing the Loop:** Uncover unresolved complaints during data collection from the PFIs, giving DBN an opportunity to address these and curb the trickle effect to the end borrowers (MSMEs).

Across these broad themes, DBN seeks to drill down to the following key satisfaction metrics:

Objective	Metrics/KPI
Customer Satisfaction	1. Overall satisfaction of PFIs 2. Evaluation of PFI expectations from DBN (fees, ease of transaction, ease of onboarding, due diligence, monitoring and evaluation etc.) 3. Efficiency of DBN processes 4. PFI experience with DBN services 5. Customer effort in complaint resolution 6. Net promoter score
Employee Perception	1. DBN employee's evaluation of PFI expectations from DBN (this is to evaluate alignment in priorities with the customer) 2. Efficiency of DBN processes
Closing the Loop	1. Variance analysis in PFI expectations and DBN employees perceived PFI expectations 2. Resolution of pending complaints 3. Other recommendations

The survey is to cover PFIs across the geopolitical zones of the country, with an active relationship with the Bank. In terms of focus of the survey, DBN seeks to gauge the satisfaction index across but not limited to the following broad themes:

- a) Customer Segments (Development Money Banks, Microfinance Banks, Other Financial Institutions) – Dimensioned across New and Existing PFIs
- b) Products and Services (Loans and Technical Assistance)
- c) Process Evaluation
- d) Quality of Relationship Management

The survey would include a quantitative questionnaire and a qualitative interview (see *appendix 1.0 and 2.0*) with a sample of the represented PFIs across several departments that interface with DBN, including Operations, Monitoring and Evaluation, Due Diligence and Risk amongst others. The contact list for the survey will be provided by the DBN.

3. Expected Output

Key output expected from the survey include the following:

- i. A detailed questionnaire for both the quantitative survey and the qualitative interviews to be provided to DBN for evaluation and approval (*please see sample in appendix 1.0 and 2.0*).
- ii. A comprehensive report detailing findings from the PFIs. This should include:
 - An overall satisfaction ranking of DBN by PFIs.
 - The Net Promoter Score (NPS) of DBN evaluated against other Development Finance Institutions.
 - An evaluation of the efficiency of DBN's processes.
 - Satisfaction regarding DBN's products and services.
 - An analysis of the variance between DBN employee's perception of the PFIs' needs against the actual needs of the PFIs, as it relates to product and services offered by DBN.
 - Documented feedback from the PFIs (verbatim).

The report should include key expectations and suggested improvements to be made by DBN based on feedback received from the PFIs.

4. Deliverables and Timeline

The duration of the project is estimated as 30 working days. The Consulting firm will work with the Strategy and Policy Unit for the entire period and ensure that all agreed deliverables will be forwarded to DBN (Attn: Head Strategy and Policy) upon schedule.

Deliverables required include the following:

- i. **Inception Report:** Submission of a project inception report with detailed work plan, methodology, sample questionnaires and timeline.

- Timeline: within 5 days from project kick-off.
- ii. **Market Research / Consultation:** Completion of all qualitative and quantitative interviews with the PFIs.
Timeline: within 20days from execution of contract documents.
- iii. **Submission of final report:** Submission of final report on the customer satisfaction including both detailed report and executive summary.
Timeline: within 30days from execution of contract documents.

In addition to ensuring that the above reports are received as scheduled, the consulting firm will be required to provide to DBN's HSP the Weekly progress reports/update on activities as outlined in Section 3 above.

5. Payment Schedule.

Following the completion and approval of each milestone, payment will be made as follows:

- i. Submission of a project inception report with detailed work plan, methodology, sample questionnaires and timeline- 10% of total contract sum
- ii. Completion of all qualitative and quantitative interviews with the PFIs- 40% of total contract sum
- iii. Submission of final report on the customer satisfaction including both detailed report and executive summary- 50% of total contract sum.

6. Required Qualifications and Experience

The Firm must be qualified to and have experience and proven track record in providing the proposed services. The Firm must moreover have the necessary team of experts and subject specialists required to deliver the services outlined in the Scope of Work. The consulting firm should have:

- Deep and demonstratable expertise in customer and sector research including but not limited to Nigerian financial institutions.
- Previous experience consulting for Institutions focused on MSME lending.
- Proficiency in analysing qualitative and quantitative data and providing concise reports.
- Key experts put forward must possess the following:
 - Minimum of 10 years' experience working with financial institutions with a minimum of 7years working with financial institutions in Africa or other climes.
 - Work experience (minimum of 5years) working in a research firm with most recent experience in managerial capacity.
 - Expertise in improving customer satisfaction using quantitative surveys and qualitative interviews.
 - Knowledge and experience in areas including but not limited to customer experience, data analytics, market research, improving net promoter scores, and business process optimisation.

Appendix

Appendix 1.0 DBN Employee Questionnaire (Quantitative)

INTRODUCTION:

Hello! This survey is being conducted on behalf of the Development Bank of Nigeria. Thank you for agreeing to participate in this survey. The purpose of this study is to gauge Employees' perception of Customers' Satisfaction and uncover challenges encountered in providing excellent Customer Service. Please note that your answers will be treated as confidential and will not be reported on an individual basis. This survey should take about 15 minutes of your time.

S1. GENDER

1. Male
2. Female

S2. LOCATION

1. Lagos
2. Abuja

S3. Which department do you work in at this organization?

1. Business Development
2. Credit Operations
3. Operations
4. Monitoring and Evaluation
5. Risk Assessment and Rating
6. Product Development and Strategic Alliances
7. Project Management
8. Other

S4. Could you please tell me about your position within the organization?

S5. How long have you been working with DBN?

1. Less than 6 months
2. 6 months – 1 year
3. 1 -2 years
4. Over 2 years

Satisfaction and NPS

Q1a. Thinking about DBN, on a scale of 1 to 5 where 1 is 'Very Dissatisfied' and 5 is 'Very Satisfied', how satisfied are you with DBN as an employer?

1	2	3	4	5
Very Dissatisfied	Somewhat Dissatisfied	Indifferent	Somewhat Satisfied	Very Satisfied

Ask if code 1, 2 or 3 at Q1a

Q1b. Please tell us why you are <insert code at Q1a> with DBN as an employer?

Scripter: Response box must NOT be left empty

Q2a. How likely are you to recommend DBN as a place to work?

Where 1 means 'definitely would not recommend it' and 5 means 'definitely would recommend it'

1	2	3	4	5
Definitely would not recommend	Probably would not recommend	Might or might not recommend	Probably would recommend	Definitely would recommend

Scripter: Show if coded 1 OR 2 at Q2a

Q2b. In less than 150 characters, please tell us why you [CODE AT Q2a] DBN as a place to work?

Scripter: Response box must NOT be left empty

ASK ALL

Q3a. How likely are you to recommend DBN products or services to Participating Financial Institutions (PFIs)?

1	2	3	4	5
Definitely would not recommend	Probably would not recommend	Might or might not recommend	Probably would recommend	Definitely would recommend

Scripter: Show if coded 1 OR 2 at Q3a

Q3b. In less than 150 characters, please tell us why you [CODE AT Q3a] DBN's products or services to PFIs?

Scripter: Response box must NOT be left empty

Scripter:

- ALL respondents

- Respondent **MUST** select single response per statement
- Please note that codes on the grid are only for DP purposes

ASK ALL

Q4. To what extent would you say you agree with the following statements...?

RESPONSIVE TABLE SA PER ROW. PROGRESSIVE GRID

	Totally Disagree	Disagree	Neither Agree nor Disagree	Agree	Totally Agree
4.1 You are proud to work at DBN	1	2	3	4	5
4.2 Your job gives you a sense of personal fulfilment	1	2	3	4	5
4.3 You are confident about your future at DBN	1	2	3	4	5
4.4 You are motivated at your job	1	2	3	4	5

Customer Needs and Usage

C1. Considering your interaction with PFIs, which of the following do you think is the most important need of PFIs?

Ease of Transaction	1
Ease of Onboarding	2
Range of products and services offered	3
Quality of relationship management	4
Resolution of complaints	5
Competitiveness of fees	6
Being customer focused	7
Being technologically oriented	8
Others Specify	98

C2. Based on your interaction with and understanding of PFIs, which of these do you think is most important to PFIs when dealing with Development banks?

C3. What do you think is DBN's strongest value offering?

	C2	C3
Ease of Transaction	1	1
Ease of Onboarding	2	2
Range of products and services offered	3	3

Quality of relationship management	4	4
Quality of financial advice	5	5
Resolution of complaints	6	6
Competitiveness of fees	7	7
Being customer focused	8	8
Being technologically oriented	10	10
Others Specify...	98	98

C4. Based on your interaction with PFIs, what do PFIs complain about the most?

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C5. Which of the following factors would most likely hinder you from delivering excellent service to the PFIs? **SELECT ALL THAT APPLY.**

DBN offices are not conveniently located	1
Inconvenient office operating hours	2
High interest rates on credit facilities	3
Low returns on investment	4
Limited products / services customers/clients need	5
Preference for other development financial institutions	6
Complicated application process	7
Long onboarding process	8
Lack of visibility/awareness about DBN	9
Other (specify)	98

C6. Considering all your interactions with PFIs, on a scale of 1 – 5, where 5 is Excellent and 1 is Poor, how would you rate DBN on each of the following.

		1 - Poor	2 – Fair	3 - Good	4 – Very Good	5 - Excellent
1	Depth of professional ethics demonstrated by the DBN team					
2	Level of respect and courtesy demonstrated by DBN team					
3	Regularity of contact by the DBN team					
4	Accessibility to the DBN Team					
5	Quality of engagement by the DBN Team					
6	Extent to which DBN demonstrated commitment to					

	Environmental and Social Risk issues					
7	Punctuality of DBN team to meetings/appointments					
8	Quality and Effectiveness of Service Delivery					
9	Depth of product knowledge demonstrated by the DBN team					
10	Timeliness in responding to your request					
11	DBN's collaboration with your Institution					
12	Availability & Efficiency of a feedback mechanism to enable you air your view and challenges					
13	Extent to which DBN demonstrated commitment to your business needs					
14	Knowledge and understanding of your business by the DBN team					
15	Extent to which your expectations are met from services delivered					
16	Extent to which DBN's loan product meets your needs					
17	DBN's responsiveness to challenges related to its products					
18	Extent to which DBN's loan product pricing is in line with your expectation					
19	Quality of presentations, brochures and other sales materials					
20	Availability of presentations, brochures and other sales materials					

Imagery and Perception

II. How would you rate DBN versus other development banks on the following attributes?

	Worse than competito rs	Same as competito rs	Better than competito rs
Security of funds	1	2	3
Fees and Charges	1	2	3
Collateral/security requirements e.g., property, guarantors	1	2	3
Financial stability of the bank	1	2	3
Accessibility to loan facilities	1	2	3
Operational/working hours	1	2	3
Branch network	1	2	3
Interest rates on credit facilities	1	2	3
Advertisements and promotional campaigns	1	2	3
Innovation	1	2	3
Speed of service delivery	1	2	3
Technology savvy	1	2	3
Product variety	1	2	3
Return on investment	1	2	3
The Bank's corporate reputation	1	2	3
International Operations/Footprint	1	2	3
Endorsement by regulators	1	2	3

Process Evaluation

PIa. Were you involved in the Due Diligence Process carried out on PFIs?

Yes	1	CONTINUE TO PIb
No	2	SKIP TO P2a

ASK IF CODE 1 AT PIa

PIb. How would you rate the Due Diligence Process on ease and convenience for PFIs? Would you consider the process?

Very Easy	5
Quite Easy	4
Neither Easy nor Difficult	3
Quite Difficult	2
Very Difficult	1

Scripter: Ask if code 1 or 2 at PIb

PIc. Why did you say the Due Diligence Process was <code at PIb>?

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P2a. Were you involved in the Monitoring & Evaluation Process carried out on PFIs?

Yes	1	CONTINUE TO P2b
No	2	SKIP TO P3

P2b. How easy was it for **you/DBN** to conduct the Monitoring & Evaluation Process recently carried out on PFIs? Would you consider the process?

Very Easy	5
Quite Easy	4
Neither Easy nor Difficult	3
Quite Difficult	2
Very Difficult	1

Scripter: Ask if code 1 or 2 at P2b

P2c. Why did you say the M&E Process was <code at P2b>?

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Scripter: Response box must NOT be left empty

P2d. To what extent would you say that the M&E process was helpful to PFIs?

Very Helpful	5
Quite Helpful	4
Indifferent	3
Not Really Helpful	2
Not Helpful at all	1

P3. What is the one thing you think DBN needs to improve to better meet the needs of PFIs?

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Scripter: Response box must NOT be left empty

Thank you for participating in this survey!

Appendix 2.0

PFI Questionnaire (Quantitative)

Sample Type

S1. Interviewers: Kindly select the appropriate PFI type per respondent

1	Deposit Money Bank (DMBs)
2	Micro-Finance Banks (MBs)

S2. Interviewers: Kindly INSERT the appropriate NAME OF BUSINESS
/CITY/NAME OF RESPONDENT
[AUTO CODE FOR REGION AND CITY]

Name of Business	REGION	CITY	Name of Respondent	TELEPHONE NUMBER OF RESPONDENT

RESPONDENT CATEGORIZATION. SINGLE CODE

CODE	INSTRUCTION
1	ASK ALL
2	OPERATIONS
3	DUE DILIGENCE
4	MONITORING & EVALUATION

INTRODUCTION: Hello, Development Bank of Nigeria (DBN) has commissioned us to conduct a satisfaction survey amongst her PFIs. Your contact was provided by DBN. The purpose of this call is to better understand how satisfied your organisation is with DBN, uncover challenges encountered when dealing with DBN, and provide DBN with invaluable feedback. At no point in this survey will we ask you for any personal information. This should take no more than 15 minutes of your time.

CUSTOMER SATISFACTION

Q1. Think about your interaction with DBN. On a scale of 1 to 5 where 1 is Very Dissatisfied and 5 is Very Satisfied, how satisfied would you say you are with the overall quality of service received from DBN?

1	2	3	4	5
Very Dissatisfied	Somewhat Dissatisfied	Indifferent	Somewhat Satisfied	Very Satisfied

Q2. Consider your interaction with Development Banks, which of the following is most important to you?

Ease of Transaction	1
Ease of Onboarding	2
Range of products and services offered	3
Quality of Customer service	4

Resolution of complaints	5
Competitiveness of fees	6
Being customer focused	7
Being technologically oriented	8
Others Specify...	98

Q3. Considering all your interactions with DBN, how would you rate the efficiency of DBN's processes across the following factors?

	5 -Very Efficient	4	3	2	1 -Very Inefficient
Ease of Transaction					
Ease of Onboarding					
Range of products and services offered					
Quality of Customer service					
Resolution of complaints					
Competitiveness of fees					
Being customer focused					
Being technologically oriented					

Q4. Considering all your interactions with DBN, on a scale of 1 – 5, where 5 is Excellent and 1 is Poor, how would you rate DBN on each of the following.

		1 - Poor	2 – Fair	3 - Good	4 – Very Good	5 - Excellent
1	Depth of professional ethics demonstrated by the DBN team					
2	Level of respect and courtesy demonstrated by DBN team					
3	Regularity of contact by the DBN team					
4	Accessibility to the DBN Team					
5	Quality of engagement by the DBN Team					
6	Extent to which DBN demonstrated commitment to Environmental and Social Risk issues					
7	Punctuality of DBN team to meetings/appointments					
8	Quality and Effectiveness of Service Delivery					
9	Depth of product knowledge demonstrated by the DBN team					
10	Timeliness in responding to your request					

11	DBN's collaboration with your Institution					
12	Availability & Efficiency of a feedback mechanism to enable you air your view and challenges					
13	Extent to which DBN demonstrated commitment to your business needs					
14	Knowledge and understanding of your business by the DBN team					
15	Extent to which your expectations are met from services delivered					
16	Extent to which DBN's loan product meets your needs					
17	DBN's responsiveness to challenges related to its products					
18	Extent to which DBN's loan product pricing is in line with your expectation					
19	Quality of presentations, brochures and other sales materials					
20	Availability of presentations, brochures and other sales materials					

Q5a. Has any DBN staff sought gratification from you, your colleague or your Institution?

Yes	1	CONTINUE TO Q5b
No	2	SKIP TO NEXT SECTION

ASK IF CODE 1 IS SELECTED AT Q5a

Q5b. Could you please describe the kind of gratification DBN staff received from you, your colleague or your institution?

CRITICAL INCIDENT/EFFORT RATIO ANALYSIS

CI. Thinking of your organization's interactions with DBN over the past 6 months, did you experience any of the following... **SINGLE RESPONSE**

		INSTRUCTION
Very Poor Service/A major issue	1	GO TO C2A
Poor Service	2	

Neutral/Bland Service (Nothing to recall)	3	SKIP TO C3Ai GO TO C2B
Good Service	4	
Excellent Service	5	

ASK IF CODE 1 OR 2 IS SELECTED AT C1

C2A. What negative service did you experience?

ASK IF CODE 4 OR 5 IS SELECTED AT C1

C2B. What positive service did you experience?

C3Ai. Considering the level of effort put into resolving issues with DBN, would you say **you/your organization** put in?

Too much effort	1
A lot of effort	2
Neutral (Neither too much nor too little effort)	3
Minimal/little effort	4
Very little effort	5

C3Aii. You said you/your organization put in <INSERT CODE AT C3Ai> in resolving issues expressed by staff within the organization with DBN, can you please tell me what specific actions **you/your organization** took in resolving the issues?

C3Bi. Considering the level of effort put into resolving issues expressed by staff within your organization, would you say **DBN** put in?

Very little effort	1
Minimal/little effort	2
Neutral (Neither too much nor too little effort)	3
A lot of effort	4
Maximum effort	5

C3Bii. You said **DBN** put in <INSERT CODE AT C3Bi> in resolving issues expressed by staff within the organization, can you please tell me what specific actions **DBN** took in resolving the issues?

C3Ci. Have the issues/incidents been resolved?

		INSTRUCTION
Yes	1	SKIP TO NPS SECTION
No	2	CONTINUE TO C3Cii

C3Cii. Would you like someone from DBN to contact you regarding your issues/incidents? **SR**

Yes	1
No	2

NPS SCORE

NPS

I. On a scale of 1 – 10, how likely are you to recommend DBN to MSMEs and other FIs?

1 – Definitely will NOT recommend DBN	2	3	4	5	6	7	8	9	10 – Definitely will recommend DBN
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NPS2. Which of these other DFIs are you also aware of?

BANK OF INDUSTRY	1
FEDERAL MORTGAGE BANK OF NIGERIA	2
Bank of Agriculture (BOA)	3
NIGERIA EXPORT IMPORT BANK	4
The Infrastructure Bank	5
NERFUND (National Economic Reconstruction Fund)	6
Africa Development Bank (AfDB)	7
Agence Française de Développement (AFD)	8
Kreditanstalt für Wiederaufbau (KfW)	9
Other Specify...	98
None	99

SCRIPTER: ASK FOR ALL DFI SELECTED IN NPS2

NPS3. On a scale of 1 – 10, how likely are you to recommend [INSERT DFI SELECTED IN NPS2] to MSMEs and other FIs?

1 – Definitely will NOT recommend	2	3	4	5	6	7	8	9	10 – Definitely will Recommend
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DUE DILIGENCE

DDI. Did you participate in the recent Due Diligence process carried out by DBN? **SR**

		INSTRUCTION
Yes	1	CONTINUE TO DD2
No	2	SKIP TO M&E SECTION

DD2. On a scale of 1 – 10, where 1 is Extremely Dissatisfied, and 10 is Extremely Satisfied, how satisfied are you with the recent Due Diligence process carried out by DBN?

1 – Extremely Dissatisfied	2	3	4	5	6	7	8	9	10 – Extremely Satisfied
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DD3. On a scale of 1 – 10, where 1 is Completely Irrelevant, and 10 is Completely Relevant, to what extent would you say the questions asked during the Due Diligence Process were relevant to you?

1 – Completely Irrelevant	2	3	4	5	6	7	8	9	10 – Completely Relevant
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DD4. How easy or difficult would you say the Due Diligence Process was?

Very Easy	5
Quite Easy	4
Neither Easy nor Difficult	3
Quite Difficult	2
Very Difficult	1

DD5. What did you like about the Due Diligence process?

DD6. What did you dislike about the Due Diligence process?

DD7. What would you say can be done differently to make the whole Due Diligence process better?

MONITORING AND EVALUATION

ME1. Are you aware of the M&E activity conducted on the MSMEs by DBN recently?

		INSTRUCTION
Yes	1	CONTINUE TO ME2
No	2	THANK AND CLOSE

ME2. Have you received any feedback from the MSMEs on the recent M&E activity carried out by DBN?

		INSTRUCTION
Yes	1	CONTINUE TO ME3
No	2	THANK AND CLOSE

ME3. Please tell us about the feedback you received.

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ME4. To what extent would you say that the M&E process was helpful to you as a PFI?

Very Helpful	5
Quite Helpful	4
Indifferent	3
Not Really Helpful	2
Not Helpful at all	1

Thank you for participating in this survey!