

A woman with short blonde hair and glasses, wearing a blue and white striped shirt, is speaking and gesturing with her right hand. She is in a meeting room with large windows in the background. A large purple semi-circle is overlaid on the bottom half of the image.

The till solution project at the Bank of Kenya

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Case study

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1. Introduction

The Bank of Kenya is a leading financial institution serving the needs of individuals, small businesses, large corporations, and co-operative societies in Kenya, with a deep reach within the country and across the region, specifically South Sudan. The Bank of Kenya is a commercial bank. Kenya is the largest economy in the East African community.

The till solution is a PRINCE2 project involving an electronic funds transfer point of sale (EFTPOS) integration within a merchant's retail management system. The project introduces an integrated card payment solution that is prompted by the cashiers till for processing the transaction. It uses a cable to connect to the EFTPOS terminal (PIN pad) to the merchant's retail management system. The increase in non-funded income by the bank, as well as being competitive for the acquiring business, drove the project. In managing this project, the PRINCE2 method was used to successfully introduce the card payment solution. The main driver for change was the need to remain competitive within the bank industry.

Currently, the bank's point of sale (POS) terminals are stand-alone. This will be a key strategic initiative for the bank, along with the partnership of various merchants. The reasons for this are:

- increased commissions
- increase in deposits
- increase in customer transactions through the till or EFTPOS
- improved reconciliation for the merchants
- improved market acceptability and loyalty brand.

2. Aims and objectives

The aims and objectives of the project are market penetration and discounts or offers for bank customers. The bank's key focus was on a product that will be a differentiator. This is in line with the PRINCE2 principle, 'Focus on products'.

A till solution is required to facilitate card payments at retail stores and supermarkets. The retail sector accounts for approximately 60% of the total turnover of card payments.

One of the key strategies that is to be used to encourage customer loyalty and discounts is the use of the bank's cards specifically at the point of sale. There are ongoing discussions with the current merchants to agree on discounts on specific items as the economy opens in the new normal of living with Covid-19.

The Bank of Kenya lacks a till solution and has therefore been unable to penetrate major supermarkets, thus failing to benefit from a potentially lucrative income stream.

The bank plans to enter other markets such as hospitality (hotels), fuel, healthcare & food chains. There are ongoing commercial discussions that have started on that front. From the experience of competition, these other markets remain untapped. This was in line with the PRINCE2 principle, 'Learning from experience'.

3. Approach

There is no single approach that can be implemented in every situation. The framework discussed below is what was implemented at the Bank of Kenya. The PRINCE2 principle, 'Tailor to suit the environment', was effectively utilized taking into context the realities of internal bank procedures.

In 2011 the bank launched merchant services, which enables merchant outlets to accept card, mobile wallet, and other forms of non-cash payments. The bank has since made minimal efforts to penetrate this market compared to other industry players. The bank could increase product uptake and its revenue by integrating the EFTPOS, commonly known as the till solution. The merchant till solution is a POS integration with the merchant's retail management system (RMS). This enables card transactions to be completed at the cash register (also known as a till), as opposed to being referred to the customer service desk or back office for processing.

The till solution will greatly increase the amount of transactions and improve reliability. Retail outlets, like malls and supermarkets with more than five tills, are under pressure to meet certain service level agreements with their shoppers. Consequently, retail outlets are seeking faster ways of serving customers; the till solution is the perfect solution. A customer who wants to pay by card would no longer need to wait longer at the till, than one paying in cash. Previously, cashiers would have had to send the shopper either to the back office or the customer service desk to process the card payment on the stand-alone POS terminal and then bring the POS receipt to the cashier for clearance. This process was time-consuming and inconvenienced the customer, the cashier, and other customers who were waiting in the queue.

The till solution has an integrated card payment solution that is prompted by the till, which also processes the transaction at the same time. This improves efficiency and usability for both the customer and the merchants.

In Kenya, large retail outlets, hospitals, and government entities are implementing the till solution, creating a ready market for the technology.

The Implementation framework:

- Sharing of API documentation
- Retailer integrator development
- Retailer installation of PIN PAD software
- Retailer/TPS integrated testing
- Retailer/TPS/Acquiring bank integrated tests
- Retailer UAT testing
- Live implementation
- Pilot rollout

After implementation of the maiden merchants, the onboarding of others will be an operational exercise to be handled as 'business as usual' (BAU).

Phase	Description
Project initiation	Project planning activities are done which include: project plan development, resources allocation, laying the project governance, and project management strategies. This is aligned with the Initiating a Project process.
Analysis	Requirement gathering sessions and analysis happens at this point. This is a critical phase as it will guide the project scope and form the boundary of the expected deliverables.
Design	Add more specific details to the requirements, including the user interface and key technical designs.
Build	The modules of the application are built, refined and unit tested. This phase is aimed at producing the tangible results for the bank that were identified in the earlier stages. This is aligned with the Controlling a Stage process.
Testing/Training	Solution is tested to ensure they it meets functional, technical and user requirements. This phase intends to ensure that the engineered solution performs in accordance with the requirements defined. The users are trained to ensure they able to test and use the system.
Deployment	The solution system is deployed into a production environment, providing the necessary support and Issue are resolved. This is aligned with the Managing Product Delivery process.

Table 3.1 Project phases

The four general stages of this project are:

- Architect (stage 1): defines the scope of the project and the design applications that enable the bank to meet its objectives.
- Conceive (stage 2): the bank, vendor, merchant, and RMS vendor collaborate to achieve the outcome.
- Development (stage 3): iteratively build and deliver the solution, which includes the incorporation or integration of the bank and merchant systems.
- Testing (stage 4): the bank, vendor, RMS vendor, and merchant collaborate to ensure that the tests are performed correctly.
- Operationalize: This is the handover to the operations teams to onboard other merchants and make it a 'BAU' process and is not considered a stage. Roll Out of MVP to Merchants (Merchant 1 & Merchant 2).

4. Challenges

It is every project manager's dream to be able to implement a major project without any issues or challenges. Unfortunately, challenges faced during the lifecycle of a project are inevitable, with this project they included:

- Vendor challenges – adopting agile contracts: The internal bank policies on contracting & procurement are not flexible and require justification for changes requiring a lot of consensus and approvals.
- Business case validation challenges – tracking benefits realization:
 - The product owner after 'go-live' was initially not keen on tracking the immediate benefits to the merchants. A dedicated resource had to be assigned this specific role as the project team pushed back on this.
- Organizational politics: the organization's environment and interests can outweigh the bigger goal. A better way would be to tailor the organization theme to specific roles in the bank for purposes of the project.

To overcome these challenges, the project sponsor was asked to be directly involved in unlocking issues/impediments. In addition to this, I initiated weekly retrospectives to track issues and activities. One of the merchants had requests that were changing weekly and needed to be handled appropriately.

4.1 WHAT WOULD YOU DO DIFFERENTLY NEXT TIME?

When considering lessons learned, I would give an accurate delivery timeline after reviewing all dependencies. During the Starting Up a Project process, I would map all stakeholders whether directly impacted or not. Managing stakeholder expectations was a challenge as some stakeholders wanted a quick turnaround time. However, transparency on all aspects of the project made it easier to manage expectations.

5. Successes

Every project implementation contains interesting stories. The project is currently in pilot phase (closing the project) so we are yet to assess the successes of the project. With 'Continuous business justification', there are bound to be changes and the need for agility when responding to rapid business needs.

There are currently two local merchants using this product, we are at operational level. There are plans to roll out to others, currently there is a funnel going through internal bank KYC. There are plans to expand to more outlets of the two merchants. The outcomes are:

- Increased commissions (NFI).
- Increased bank market share.
- Increased deposits holding and customer visibility.
- Increase in customer transactions through our tills.
- Improved reconciliation and narrations at clients and bank level.
- Feedback from customers (merchants).
- Adoption of contactless transactions is low.
- Better customer service responses.
- Seamless settlement: the merchants adapted to the till solution.
- Better customer experience on use of device.

6. Conclusion

A considerable amount of team effort was involved in the delivery of the till solution project at the Bank of Kenya. The team were able to deal with the strict timelines and pressure of the project by timeboxing the work packages. The key benefits are highlighted below:

- Increased deposits holding and customer visibility: this has been achieved with the driving of volumes from the different merchants. When looking at future potential benefits, there is potential to win over other customers from various merchants, due to the differentiator value of the product that the bank has delivered. However, there are other competitors in the market to consider.
- During the lifecycle of this project: the main lesson learned is being able to adapt to customer needs. The pandemic has led to a rise in demand for 'contactless' card payments. The bank was able to adapt to meet customer needs.
- Future plans: a list of merchants is currently being reviewed to adopt the till solution.

'Rolling out a card payments solution in the midst of a pandemic'

The above title is the tag line strategy for the card payments department at the bank. Various teams are on the lookout for on-boarding new merchants. There has been a major relaxation of lockdown measures in Kenya (that were originally in place from March 2020), and this presents a major partnership opportunity for the bank's seven merchants.

7. About the author



Willies is an IT project manager with over 12 years of IT experience across various industries. He has specialized in project management for the past seven years.

Willies is a PRINCE2 Agile Practitioner and PRINCE2 Practitioner, along with other various IT certifications.

8. About AXELOS

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It is responsible for developing, enhancing and promoting a number of best practice methodologies used globally by professionals working primarily in project, programme and portfolio management, IT service management and cyber resilience.

The methodologies, including ITIL®, PRINCE2®, PRINCE2 Agile®, MSP®, RESILIA® and its newest addition AgileSHIFT® are adopted in more than 150 countries to improve employees' skills, knowledge and competence in order to make both individuals and organizations work more effectively.

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9. Trade marks and statements

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