

## Good governance: a framework for sustainable performance

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April 29 2019



**The establishment of good governance is fundamental to the success of any company. The emerging markets start-up Jumo operates in Africa and Asia and has adopted a holistic approach to corporate governance: maximizing financial returns for shareholders and stakeholders while considering the objectives of the company as a whole. As a market leader, Jumo aims to influence and create regulatory frameworks that work with regulators and stakeholders.**

# PS&D

This article is an excerpt from Issue 30 :  
Corporate governance

Where corporate governance is a priority, access to capital, exceptional employees, well-aligned partners and meeting investor expectations follow. Hence, it is fundamental to the success of companies. It entails responsibility, transparency and meeting the needs of all stakeholders using appropriate frameworks. Gains due to good corporate governance are in the areas of risk management, efficiency, public image, access to credit and investor trust.

### Introducing Jumo

For a financial technology company like Jumo, operating in seven emerging economies on two

continents comes with a variety of challenges, such as a lack of regulation (especially regarding consumer protection) and evolving regulatory landscapes. Jumo has built a technology platform that connects customers (mainly MSMEs) to progressive financial products; it is active in Ghana, Kenya, Tanzania, Uganda, Zambia, Rwanda and Pakistan. The company relies on exceptional partnerships to achieve its strong performance. Partners include investors, mobile network operators, financial service providers, regulators and customers. All have various concerns necessitating confidence in Jumo's operations. Given the nature of its business, good corporate governance is essential for legal compliance and customer protection.

The company strives to meet modern businesses requirements. These include maximising financial returns for shareholders and stakeholders (such as customers, suppliers, employees and the community), while considering society at large, for example, protecting the environment, supporting global development goals, enhancing government objectives and being a good corporate citizen.

Jumo and its employees also strive to take collective ownership for these corporate responsibilities. The tools and practices used for good corporate governance include a well-informed board of directors, external certification, employee awareness campaigns, effective risk and governance committees, a stringent approach to self-regulation and customer-centric decision-making.

### **From theory to practice**

Jumo has a diversity of non-executive and executive directors on its board and sub-committees. Frequent meetings of the board allow for honest communication on positioning the business, setting clear expectations and establishing high levels of reciprocal trust for fast strategic execution. In addition to a number of ethics committees, Jumo has a wide-ranging base of ethical investors, who ensure that the right organisational structures are in place.

Also, Jumo participates in the Smart Campaign Fintech Protects Community of Practice. This is a virtual community aimed at ensuring that digital financial services offer the greatest value to consumers and maintain adequate customer protection. Joining this community and opting in for the assessment pilot missions that will form the basis of the new set of Fintech Standards compels Jumo to maintain high levels of corporate governance - regardless of mandatory regulation. Doing this is recommended for start-ups in developing markets. While it encourages investment, it also builds consumer confidence.

Corporate governance is not the responsibility only of management. Jumo maintains a culture of good corporate governance throughout the company. Internal initiatives are in place to affirm and strengthen this.

Its Customer Operating Principles (called COPs internally) are the foundation of Jumo's customer value proposition. Jumo's Customer Intelligence unit has defined its COPs - loosely modelled on the Smart Campaign's client protection principles - with the intention of promoting access to financial services and meeting financial inclusion objectives, creating a sustainable digital ecosystem, providing choices and empowering customers, creating financial value for all stakeholders, and enabling the fair and transparent exchange of value for digital data. COP awareness campaigns take place regularly across the organisation. This promotes and embeds customer protection and upholds the interests of stakeholders.

### **Expert collaboration**

A number of internal committees provide oversight and address major risks. They cover IT, data, credit, and enterprise, social and ethics issues, and comprise experts responsible for aligning and implementing corporate governance principles. Their mandate, among others, is to rate current risks, consider their implications, and implement initiatives for improvement. The committees meet regularly, making decisions that enable timeous, effective responses to risks.

## **Opening the way**

At Jumo we have taken a holistic approach to corporate governance, to make sure we are future fit. Instead of compartmentalising and only complying with regulatory requirements in each of our territories, we strive to meet and maintain the highest levels of corporate governance in structures and procedures, across all territories. This not only ensures compliance in the most strictly regulated regions, but also addresses important regulatory issues in regions where adequate regulation has not even been considered. As market leaders, Jumo sets a precedent - a serious responsibility necessitating pioneering. We aim to work hand-in-hand with regulators and stakeholders to influence and create regulatory frameworks.

The scale at which Jumo aims to enable financial inclusion demands high levels of consumer protection and corporate governance. Companies, like Jumo, that make social responsibility an integral part of their business model need to have strong governance structures in place. Whether those operating in developing countries are self-regulated start-ups or publicly listed companies, embracing corporate governance will ensure that ever-changing regulatory landscapes remain easy to adapt to and that stakeholder needs are addressed, irrespective of legal requirements.

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