



# Agent Network Design and Development

United Commercial Bank Limited  
(Model 3: Piece together with smaller master agents)

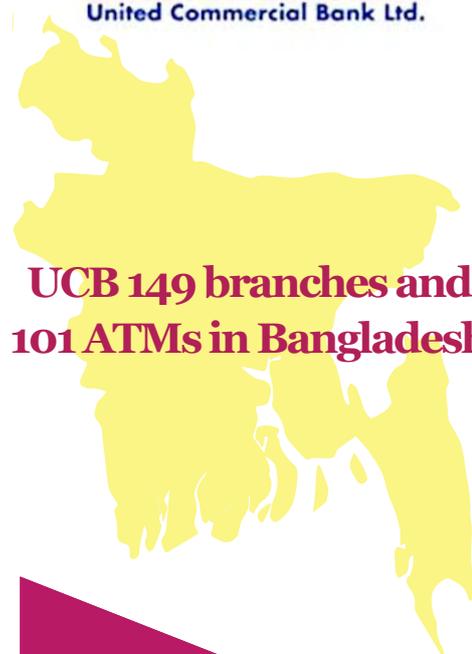
By Ignacio Mas and Mike McCaffrey

# UNITED COMMERCIAL BANK LIMITED

United Commercial Bank Limited (UCB) is reported to have 149 branches and 101 ATMs in Bangladesh. In November 2013, it launched UCash, which it designed to offer interest bearing deposit services, as well as domestic person to person (P2P) transfers to new and existing customers. UCB originally wanted to build its own agent network so it could maintain a high level of control over its agents, ensuring both compliance with Bangladesh Bank regulations, and a high level of service for customers. Therefore it went about recruiting a team with distribution experience, hiring 12 area managers and 30 territory managers to operate under them.

UCB then instructed the team to recruit wealthy and influential business people with distribution experience in Fast Moving Consumer Goods (FMCGs), or telecommunications to set-up a **master agent model** (master agents are called distributors in Bangladesh). The team recruited 10,000 agents to start with, and had very low activity rates of 10-12% on a 30-day basis<sup>1</sup>. However, after 13 months of operations, UCB was able to build an agent network of 40,000 agents, and raise their activity rate to 30% (12,000 active agents) on a 30-day basis using this model.

<sup>1</sup> On a 90-day basis 22,000 agents are active.



**UCB 149 branches and  
101 ATMs in Bangladesh**

**Using Master agent  
model:  
Launch: Recruited  
10,000 agents with  
10-12% activity  
(30 day)  
13 months after  
Launch: 40,000  
agents with 30%  
activity rate  
(30 day basis)**

# UNITED COMMERCIAL BANK LIMITED

 **UCB keep tight control of Master Agents**

 **All agents reviewed and confirmed by UCB**

 **17 Training scheduled by UCB every month**

 **Branding developed by head office**

 **Territory Managers monitor agents**



To keep tight control over the network, UCB developed a process whereby they gave master agents specific criteria for agent selection, so that master agents could then propose agents, who UCB would be able to review and confirm. Training is scheduled by UCB on a monthly basis, for retailers that qualified as new agents, and branding is developed at the head office by the marketing team and then distributed by the master agents to the agents. UCB also uses its team of Territory Managers to monitor the quality of agent performance with regular visits to their outlets.

Liquidity management is carried out through UCB branches, where each master agent must have an account. They are given e-float against their deposit, which they deliver to agents either on a regular schedule, or on demand when they are called to do so. Commissions are then paid in real time to distributors in e-float as transactions are made. Of the revenue generated from transactions at the agent level, the master agent receives 26% and the agent receives 50% directly.

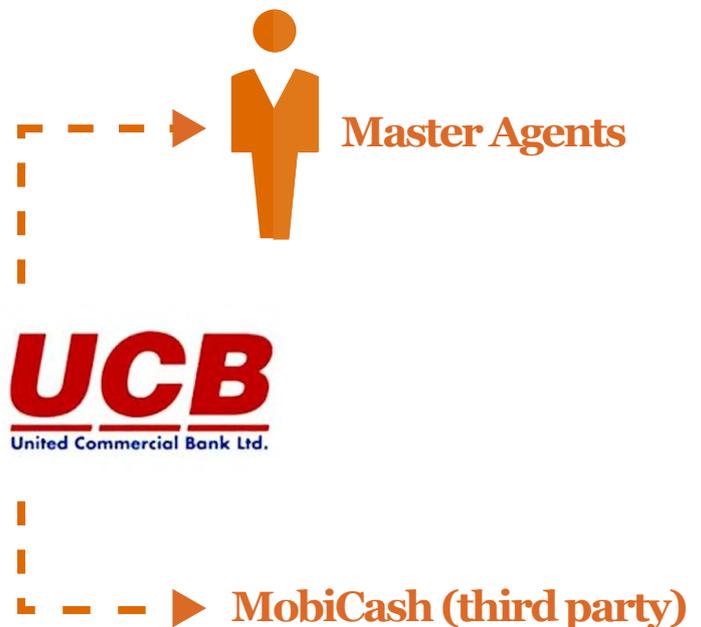
# UNITED COMMERCIAL BANK LIMITED

In June 2014, while still aggressively growing its master agent model, UCB decided to augment its distribution management by **outsourcing to a 3rd party specialist** as well. [Grameenphone](#), the largest telecom provider in the country, approached UCB and explained it was offering agent network management services under a new brand called [MobiCash](#). UCB saw this as an opportunity to partner with a brand that is recognized and trusted across the country, and also has the infrastructure and experience to build a large agent network.

UCB sees MobiCash as a partner as opposed to a competitor and notes that the partnership has resulted in a 10-12% increase in its transaction volumes. However, UCB will continue to grow its own direct channel using its master agent model. Therefore both models will co-exist for the foreseeable future. UCB is also evaluating offers from [Banglalink](#) and [Robi](#), two other big telecom providers in Bangladesh, which are proposing to offer similar services to MobiCash.

For UCB, having more agents gives it the ability to reach a bigger market with the diversity of services they would like to offer through

UCash. Having some agents managed directly by their master agents gives them a high level of control over that portion of the channel, while the partnership with MobiCash, and potentially other telecom providers, takes them closer to the ubiquitous national level they desire.



**UCB / MobiCash partnership =  
10-12% increase in transaction  
volumes**

# UNITED COMMERCIAL BANK LIMITED

## United Commercial Bank Limited in Bangladesh

Who They Are & What They Do	UCash	Master agents (distributors)
Description of who they are	A brand of United Commercial Bank Limited, with 40,000 agents around the country, and a partnership with MobiCash which manages additional agents.	About 100 distributors that each manage 300-500 agents.
Agent selection & contracting	UBL develops the selection criteria and approves agents that are nominated by master agents.	Nominates agents based on UBL criteria, usually from an existing retail network they manage.
Training & business advice	UBL organises monthly training sessions for new agents and distributors.	
Liquidity management	Master agents have prefunded accounts at UBL branches, which they are given e-float against.	Master agents have staff that visit agents either regularly or on demand to rebalance accounts.
Brand & service monitoring	UBL designs branding in Head Office.	Master agents must distribute branding materials to agent outlets.
Commissions & reconciliations	Receive the revenue from transactions, and send 26% to each master agent and 50% to each agent.	
Customer care	Have a 24/7 customer care line.	

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