

The Use of Client Focused Technology by Microfinance Organizations in Tanzania: A Case Study

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Although I was originally going to graduate in May 2008 with a UF MBA, I changed my plans when I was informed of a \$2,000 CIBER grant available to conduct research on microfinance in Africa. I had taken an interest in microfinance since my service as a Peace Corps volunteer in Guatemala (2004-06), and did not have a chance to study it in depth during my MBA career. I initially decided as my proposal to do research on how technology affects microfinance, however later changed the subject to be a case study on client focused technology and how it is used by microfinance organizations in Tanzania. I decided to change the proposal to a case study because it would be difficult to measure the impact in a short period of time and also because most of the technologies being used were only recently introduced and therefore the impact could not be assessed.

I was fortunate enough to choose Tanzania as my destination for my research. Tanzania has a solid history in microfinance, and Dr. Todd Leedy, Associate Director of the Center for African Studies, assisted me in contacting the Faculty of Commerce and Management at the University of Dar es Salaam. Another fortunate event was that this year the International Academy of African Business and Development Conference was hosted in Gainesville and so I was able to meet some of the faculty from UDSM before even going to Tanzania!

Using these contacts enabled me to find a list of alumni that worked at microfinance organizations. I then sent these alumni emails about my research and requested interviews. I received a response from three commercial banks and one nonprofit organization. I also was able to interview the financial trust (Financial Sector Deepening Trust) that conducted a survey regarding the financial sector of Tanzania in 2006. Between the interviews as well as literature reviews, I was able to form a well-rounded perspective of how client-focused technology (Automated Teller



Machines, Point of Sale Devices, etc) were being used by these organizations.

Apart from working on my research, Tobias Swai asked me to assist in the organization of the second Business in Development business plan competition, an activity conducted by the UDSM Entrepreneurship Centre along with a Dutch nonprofit organization, the Business in Development Network (www.bidnetwork.org). I assisted them with updating their website, talking to entrepreneurs at the annual “Saba Saba” business tradeshow and visiting entrepreneurs from last year’s competition. It was a very enlightening experience and the business plan competition is an innovative way to stimulate local creativity along with the economy by assisting small businesses in developing business plans and obtaining funding.

While in Tanzania I had several opportunities to travel and see other parts of the country aside from Dar es Salaam. I was able to visit Morogoro, Bagamoyo, Arusha and Zanzibar. I was also able to participate in cultural events such as weddings, birthdays, local concerts and soccer matches. I took a few Kiswahili classes as well. All of these activities gave me a better understanding of the Tanzanian culture and people.

Overall, my experience in Tanzania was a fantastic one. Not only was I able to complete my MBA by doing research in a field I was interested in, I was also able to experience a different culture and make friends on a different continent. I would certainly recommend it to future students as a way to obtain a better understanding of business development in other countries.

Torrey Peace is an MBA candidate in the Warrington College of Business Administration. She received funding for her summer research from the Center for International Business Research (CIBER) and the Department of Finance, Insurance, and Real Estate.

