

LOAN PERFORMER 6.09

CRYSTAL CLEAR SOFTWARE, LTD.

SUMMARY

Loan Performer is a great starter product for small to medium microfinance institutions with limited microfinance products and internal IT capacity. Though not fully customer-centric, it supports one high-level, group lending methodology per installation, plus numerous individual loan products. It includes a savings module, basic accounting, good budgeting features, and share management. As client accounts are defined and managed at the branch level, Loan Performer is most appropriate for organizations that operate with a decentralized structure, and do not intend to offer branchless services in the near future. The software is quite easy to use and is available in four languages. Certain textual elements of the interface can be customized. Users like the wide variety of reports, which can be filtered by a number of parameters. Users report that the vendor is responsive to their requests, often incorporating new features based on their needs, but that the frequent release upgrades have too many bugs. Loan Performer would benefit from a stronger technical architecture and an improved testing cycle. It provides core out-of-the-box functionality, ready-made reports, and security for less than double the price of a spreadsheet package—excellent value for the money—and is a natural choice for institutions installing their first portfolio management software on a limited MIS budget.



Functionality



Management Reporting and Data Analysis



Scalability



Services—Implementation, Training, and Support



Ease of Use



Technical Capabilities

INSTITUTIONAL FIT

It would suit small to medium MFIs which do not have many variations in their group loan product methodologies, but may offer several individual loan products. It is particularly appropriate for institutions with a limited MIS budget or computing infrastructure, and is a good fit for decentralized organizations.

INTERNAL IT EXPERTISE REQUIRED

For single-branch installations, all that is required is a person with strong computer skills with formal responsibility to set up and enforce MIS policies (such as backup, user rights). For multi-branch installations, the IT assistants at the branch level will need to be supervised by a corporate MIS manager who can set-up MIS policies, provide support and manage the corporate database.

USER FEEDBACK

Most users surveyed report the system has helped their organization, regard it as largely reliable, and credit the vendor for being responsive.

COUNTRIES IMPLEMENTED

The vendor currently has 120 clients in Angola, Armenia, Azerbaijan, Barbados, Bulgaria, Congo, Curacao, Dominica, Egypt, the Gambia, Georgia, Ghana, Grenada, Haiti, Kenya, Kosovo, Macedonia, Nigeria, the Philippines, Russia, Rwanda, Samoa, Sénégal, Sierra Leone, South Africa, St. Lucia, St. Vincent, Swaziland, Tajikistan, Tanzania, Turkey, Uganda, United Kingdom, Zambia, and Zimbabwe.

COST SUMMARY

Minimum licensing cost: \$700 (single user, single installation)

Annual maintenance costs: 30% of licensing costs (minimum \$210 per year)

Consulting services: \$300–\$350 per day

RATING SCALE



Poor



Satisfactory



Best

The rating scale used for the evaluation is a five-point scale with a crying face representing the lowest rating and a cheering face the highest. In between, from lowest to highest, are a crooked smile, a straight smile, and a happy smile. The more pleasing the face, the better the product is in that area. A lowest rating would indicate that the product is either missing basic standard features, or the features do not function properly. A middle rating would indicate that a product has close to or all the standard features, but no additional features, and/or the features may not function satisfactory. A highest rating would indicate that the product has all the standard features, plus additional features for the given category rated, and the features provided function properly. The same rating criteria are applied to categories related to services provided by the software vendor.



FUNCTIONALITY

Loan Portfolio Management



- Loan Performer handles individual and group loan products concurrently. It can define up to 100 group or individual loan products, but in practice it only supports one high-level group product methodology.
- It has a flexible loan product setup, with numerous options that can be defined as either compulsory or modifiable during the loan application process (for example, controlling whether the standard interest rate can be changed when issuing a loan).
- The repayment schedule is automatically calculated based on loan term, which allows users to easily modify each installment and change date, principal, or interest amount.
- Loan approval tracking is available but limited. (Loan status can be pending, approved, or rejected.)
- Handling guarantors for individual loans and collateral is basic: up to four guarantors can be listed per loan, with description and value, but there is no special handling for depreciation or sale.
- Repayments are handled quite well, both in terms of completeness (for example, extra payments) and ease of use (one of the best features reported by users).
- Delinquency management facilities are available. It produces "loans in arrears" reports (with five user-defined categories based on period), bulk calculation of penalties for posting to loan accounts, and collection of penalties at repayment. It also has options to write-off loans and black-list clients.
- Restructured loans cannot be distinguished from regular loans, which has implications for accurate reporting on portfolio quality. Three fees are defined by default, but field labels can be renamed. No advanced functionality is available for options such as credit scoring or support for credit cards.

Deposit/Savings Management



- There is a flexible savings product setup, with many options for voluntary and mandatory account types (including term deposits and passbooks). Each product can be tracked by individual, group, or group member.

- Options for calculating and accruing interest on savings are limited (for example, interest cannot be calculated on average period balance). Interest is calculated periodically, but is not automatically accrued, and the process must be initiated by the user on a regular basis.
- It handles off-book savings (i.e., the savings amounts tracked for a particular product that should not be accumulated into the general ledger), and accommodates passbook, term deposits, and overdraft protection.
- There is a tax withholding capability, and the software will flag inactive accounts as dormant.

Client Information/Relationship Management



- Comprehensive information is collected for each client. Additional data fields cannot be added, but existing field labels can be changed.
- Each client is assigned a customer number and classified as an individual, a group (with group members), or a business (not eligible for loans). An unlimited number of accounts can be linked to each customer number.
- Loan Performer is not fully customer-centric as it does not record a single record for each physical individual or business. There are no links across the various categories of customers, so it is possible for single individuals to be registered (separately) as members of different groups as well as individual customers in their own right.
- In a multi-branch setup, a specific client can belong to only one branch, with no way to track the same physical person across several branches.
- Searches can be done by category and within a branch. There is a very good search feature for locating individuals. It can handle only limited searches on group information, and it does not search at all on group member information.

Accounting



- The accounting module is a basic general ledger integrated with the loan and savings modules, and automatically reflects transactions recorded in those modules. It can track checks and print receipts.
- Available reports include the basic financial reports (trial balance, balance sheet, income and expense statement, monthly totals per account).
- A flexible chart of accounts (by default, US style) can be customized to match the external accounting system. The chart of accounts can be modified to fit PARMEC (West African standard).
- Essentially, it offers cash-basis accounting. Accrual features are limited to user-initiated options, that allow bulk calculation of accrued interest on loan portfolio, loan provisions, and penalties on loans in arrears.
- A budgeting feature allows the creation of budget items (income or expense), which are each linked to one or more accounts. The budget report shows actual versus budgeted values. Separate budgets can be created to enable tracking and reporting by donor.
- No specific payroll, asset, reserve (other than bad loan provisioning), overhead expense, or non-portfolio-related income management is available. It is possible, though, to make manual journal entries in the general ledger.
- The vendor recommends that institutions seek another package if they require general accounting features. Loan Performer can export accounting data in formats required for several third-party accounting packages (for example, Pastel and Peachtree).

Share Management

- Limited features are available to manage the purchase and sale of shares by individual clients. It cannot indicate which accounts should attract interest.
- Dividend calculation and posting to client savings accounts are possible, but both actions must be initiated by the system user.
- Reports available include share register, share transactions, dividend payments.

**SCALABILITY**Flexibility

- Loan Performer offers very flexible loan and repayment structures (including full user control of repayment schedule, if needed, with support for balloon payments, fees, commissions, penalties, and prepayments).
- A limited variety of methodologies can be incorporated in a single installation. Important options are designed to operate across the application (for example, whether groups can have sub-groups or not).
- There is strong concurrent language support, with language selected by the user (as part of the user profile). It has four standard languages: English, French, Spanish, and Russian. Menu options and labels are parameterized so that they can be translated into another language by the system administrator.
- It allows numbers up to 12 digits and 2 decimals. It does not support multiple currencies, although this is planned for future releases. There is no facility to calculate foreign exchange exposure.

Expandability

- Loan Performer was tested for 10 concurrent users, 60,000 clients in one organization, and 20 branches. The maximum license sold is for 12 concurrent users. It is not recommended for a single branch handling more than 15,000 clients. The new 7.0 version using SQL Server database promises to handle larger numbers.
- There is multi-branch support with the possibility of creating a consolidated "read-only" database at the corporate level (for consolidated reporting). The branch is the highest level in the data hierarchy and all data relates to a single branch. It will therefore not suit organizations that want to offer branchless banking for their clients.
- It has an alternative configuration option for a centralized system with multiple branches where data entry is done at a single location.

Additional functionality

- No additional functionality provided.

**EASE OF USE**User Interface

- The application has a Windows-type user interface, with some non-standard Windows behavior. For instance, after saving a record, the user receives a confirmation message in a small corner window (not a standard Windows message box) and must respond to continue.

- There is sturdy language support, which can be set at a user level; menu options and labels are parameterized so they can be changed by a system administrator.
- It is possible to do batch data entry by importing data in XLS, DBF, or TXT format. Eight of 12 users surveyed found the software “fairly easy” or “very easy” to use. The most positive comments were about the ease of entering repayment data. Users mentioned certain features that could be improved, such as incorporating a multi-window environment, making navigation of complex options in the client or loan application screen easier, and making it more convenient to search for reports among the large selection of reports available.

End-of-Period (EOP) Processing

- Transactions are automatically and instantaneously posted to the general ledger, so EOP processing is limited to year closure. There is a day-closure feature, but it is more for audit purposes. (It reports on all transactions since the last closures)
- Some traditional day-closure features are available as separate features that can be run as often as desired, such as a user-initiated option to calculate compounded interests on savings or the option to calculate penalties and late fees.
- Transactions on any defined account can be manually entered and modified (by posting corrected transactions) in the general ledger. Automatic transactions generated by user actions in other modules cannot be directly modified in the general ledger, but are nullified (by posting opposite transaction to GL) when the original action is reversed or deleted.

User Support Resources

- Excellent online help is available in all four languages. The online help is a reference manual, not a training guide, so "managerial" users (MIS, finance, and operations managers) reported finding answers by themselves fairly easy while loan or credit officers found it more difficult.
- Additional support is provided by email, discussion groups, and phone.

User Satisfaction with Product

- Users made “very good” comments about the responsiveness of the Loan Performer team.
- Most users agreed that the application met at least some of their expectations and helped their organization to some extent (9 of 12 users surveyed).
- It is good value for the price. One user comment said it all: "Loan Performer is great software for the money. For \$ 210 per year, it fulfilled about 80 % of the reports we needed."



MANAGEMENT REPORTING AND DATA ANALYSIS

Standard Reports and Queries

- It includes more than 100 standard reports, with almost half related to loan portfolio management. Reports can be filtered or grouped by a variety of criteria: period, branch, credit officer, geographical area, loan fund, product, account range, donor, and some user definable categories.
- Most reports offer detail (with each transaction) or summary (totals or sub-totals only) views.
- There is a zoom option for onscreen viewing. There is no default printer type, but paper size must be A4.
- Users generally liked the large variety of reports, although some users questioned the reliability and flexibility of a few specific reports.

Custom Reports and Queries

- No custom reports or queries can be generated within the program other than filtering, grouping, and ordering within standard reports.
- An external report generator for FoxPro database can be purchased separately for more customized reporting. This requires advanced skills, however, as it means working directly with the underlying database tables.
- Many users (9 of 12) commented that they needed to create their own reports, or modify or combine current reports, although the vendor frequently adds new ones based on user needs.

Exporting

- All report data can be saved in XLS (Microsoft Excel) and DBF (Dbase/FoxPro) formats. Reports can also be saved in PDF format for easy sharing by email.

Data Analysis

- Basic data analysis is available via the report feature (using filtering, grouping, and ordering), which most users found easy to use. External tools can be used for advanced analysis of exported non-dynamic data.



SERVICES—IMPLEMENTATION, TRAINING, AND SUPPORT

Installation and Data Conversion

- The easy Windows-style installation wizard requires no special technical knowledge (other than competence with computers). Software can be downloaded from the vendor web site or obtained on CD.
- Data for conversion can be imported from Excel, DBF, or TXT files formatted based on a given structure. The vendor provides data conversion services for a separate fee.
- Nine of 11 users reported installation support to be "good" or "alright." Two said it was "poor" or "very poor."

Training

- Standard user training is offered for an additional fee, but vendor training is targeted more toward IT staff and managers. Basic training runs six days, with special sessions for managers concentrating specifically on using Loan Performer as a management tool: configuration items, controls, and reporting, etc.; system administration; and database maintenance.
- Four staff members also work as trainers (in English, French, Spanish, and Russian). Nine consultants around the world can also provide training. A practice database is available for training sessions.
- Ten of 12 users surveyed reported that the training they received during implementation was "alright" or "good." When asked about current staff competence with the software, nine of 12 rated them as "basically skilled" or "somewhat familiar."

Technical Support Services

- Basic support and bug-fixing are covered by the annual fee. Front line support is available by phone, fax, or email. On-site support is available for more complex problems (and might require fee-based external consulting). Other services, such as installation and data conversion, are fee based.

- The vendor has a small support team, so tracking is relatively informal. First contact response for urgent problems, such as software bugs, is within 24 hours, usually by email.
- Technical problems not considered urgent may be corrected in later versions of the software, based on priority level. Special fee-based arrangements can also be made for priority development of new features.
- Five of 12 surveyed users reported that updates were "very timely," and six users credited the Loan Performer team with "listening and trying to improve the software over time."



TECHNICAL CAPABILITIES

Architecture and Connectivity

- Technical specifications were not readily available for this evaluation. The software architecture seems to have been designed one module at a time, making it difficult to maintain the software and resulting in releases with more bugs than usual in them.
- The system is designed to require a lot of user intervention for things that could otherwise be automated (such as manually running the command to calculate penalties or accrued interests).
- Consolidation is possible via a special read-only corporate version of Loan Performer. All data entry and modifications are done in separate installations at the branch level and are combined centrally using a batch, user-driven process to produce corporate reports (grouped by branch).
- In theory, Loan Performer can support a real-time centralized database over a Wide Area Network (WAN). In practice, the WAN installation has not been implemented and is not recommended with a FoxPro database. According to the vendor, SQL Server version 7.0, promises improved networking functionality.

Databases and Programming Tools

- It is designed on Visual FoxPro 7.0 (which Microsoft has committed to supporting in the long term, although it is not part of its mainstream product line). This might make it difficult to employ FoxPro developers in the future.
- It is not designed for large scale systems, but the SQL Server version 7.0, should solve some of the scalability problems.

Interoperability

- At the functional level, this is a relatively closed system with its own database. "Read-only" data access is available, however, through built-in report functionality, export features, or direct access to the database via external report engine.

Fault Tolerance and Robustness

- The system was rated largely reliable by most users, but some speed and reliability issues were reported with larger databases. According to the vendor, the application is slower when reporting on databases with 5,000–10,000 loans (active or closed), or when entering data with more than 10,000 clients.
- It provides self-cleaning tools (such as re-indexing) after a system crash, but the speed of these functions can vary considerably depending on the size of the database.

- Users have complained that robustness suffers because new releases are not thoroughly tested and debugged before being released on a very frequent basis (nearly once a month). This makes management of updates at multiple locations a time-consuming task.

Ongoing Product Development

- This is mostly driven by user needs and trainer feedback. No information is available on the percentage of revenues spent on product development.
- There is an online user group, but the level of posting activity within this group was not confirmed.

System Security and Administration

- Standard security measures are in place: user profiles, personal user id and password, automatic password expiration after a specified number of days, ability to restrict menu access based on user categories, and a basic audit report showing user logins and activities.
- It offers eleven predefined categories of users, including supervisor, branch manager, accountant, credit officer, cashier, guest. Access rights are fully customizable for each category of user.
- More advanced features, such as time-of-day access restriction, data encryption, data file violation detection, and network firewall, are not provided but can be implemented externally if needed.

Data Backup and Recovery

- Only user-initiated full back-up is available; there are no automatic or incremental backups. The vendor recommends that this be done daily.
- For system failures, the software attempts to update the index files automatically, a procedure that requires exclusive access to the database (i.e., no other users can be logged on to the application). If database cannot be repaired, it can be restored from the last backup.
- The archiving feature allows loans that are fully repaid before a user-specified date to be deleted from the database. This process can be reversed if necessary.

Version Control and Update

- Each released version is identified with a major or minor number (e.g. 6.10, 6.11, 7.0) to reflect the substance of the changes.
- A new version was released once a month on average in the last year with no incremental update. The full program has to be downloaded from the internet (or obtained on CD) and reinstalled, with a special patch provided to update the underlying database. However, users are not obliged to upgrade to every new release and may skip several.
- Several user complained about new versions not being tested well enough and that they introduced new bugs to the system. The vendor should consider beta testing for new releases and bundling feature enhancements to limit the number of new releases.

Product Details

Product Version	Loan Performer 6.09 (July 2003)
Product History	<p>Loan Performer has its roots in the "Uganda Women's Finance Trust," where it was initially developed as the "Trust Information System." This program started as a DOS-based, client data-entry program in late 1995.</p> <p>Toward the end of July 1998, Loan Performer version 4.0 became available as a commercial product.</p> <p>Version 5.0 was released in September 1999. It had many additional features for the shares, savings, loans, and accounting modules.</p> <p>Version 6.0 was launched in October 2002, offering a new multi-language environment (user interface, reports, and help system), expanded savings product support, and improved accounting functionality.</p> <p>Version 7.0 is available as SQL Server, version dated November 2003.</p>
User Interface Languages	English, Spanish, French, Russian, plus one user-defined language
Work Station Operating System	Microsoft Windows 95 and higher
Server Operating System	Microsoft Windows 95 and higher
Networks Supported	Network protocol supported by Microsoft Windows
Software Language(s)	Microsoft Visual FoxPro
Database	<p>Microsoft Visual FoxPro</p> <p>(SQL Server available only with version 7.0)</p>
Connectivity Configuration Options	<p>Can be installed on:</p> <ul style="list-style-type: none"> (1) a single workstation for one branch/organization (2) several workstations with database on local server for one branch or multiple branches (3) several installations of the types above in separate branches, with batch consolidation in a centralized corporate database for reporting purposes (4) several workstations with database on central server over Wide Area Network with the new SQL Server version (available soon)

Summary of Costs

	Description	Cost
Licensing Costs	Single user/single location	\$700
	Five-user/single location license	\$1,200
	Unlimited user/single location	\$1,600
	Multiple locations (discounts applied on single-location licensing costs):	
	2–5 branches	35% discount
	6–10 branches	40% discount
	More than 10 branches.	45% discount
Maintenance Contract (annual)	Annual maintenance cost includes free upgrades, small modifications, and bug fixes	30% of licensing costs
General Consulting Services	Additional services such as data conversion	\$ 300–350 per day
Training Costs	License fees do not include training (standard training takes 6 days).	\$ 300–350 per day

Company Profile

Company Name	Crystal Clear Software, Ltd.
Physical Address	PO Box 7463, Kampala, Uganda
Phone Number	+256-41-231739
Fax number	+256-41-233644
Email Address	ccs@infocom.co.ug
Web Site	www.loanperformer.com
Years in Business	5
Key Shareholders	Privately owned. No information provided on shareholders.
Corporate Structure	Limited company
Financial Statements Publicly Available	No
Funding of R&D	From revenues
Microfinance Focus	Crystal Clear Software, Ltd., aims to develop a microfinance software product that is flexible, user-friendly, customizable, and affordable. They target a product “for the masses” to suit 80% of the microfinance organizations, 50% of the credit unions, and 20% of other financial institutions.
Number of Client Ssites	120 active clients
Selected Client Sites	Beselidhja/Zavet Micro Finance (World Relief Kosovo), Millenium Development Partners Tajikistan, SIDO Tanzania, Horizonti (CRS Macedonia)
Employees	Total staff is 9 persons.

Appendix

Summary of Major Product Definition Options

Institutional Types	
Full-service banks	
Limited-service banks or cooperatives	X
Savings and credit societies	X
Credit unions	X
Microfinance institutions	X
Limited liability companies	
Foundations or trusts	
Other	

Lending Methodologies	
Individual clients	X
Solidarity groups with individual loans	X
Solidarity groups with group loans	X
Village banks with individual loans	X
Village banks with group loans	X
Other	

Financial Products	
Microenterprise	X
Commercial	X
Agriculture	X
Construction/Home improvement	
Mortgages	
Vehicle loans	
Financial leasing	
Other (user defined)	

Loan Interest Calculations	
Flat	X
Declining balance	X
Fixed rates	X
Discounted from the loan	X
Capitalized	
Floating/Variable rate	
Stepped rate	
Other (user defined)	

Savings and Deposit Accounts	
Passbook with passbook	X
Passbook without passbook	X
Term deposits (i.e., certificates of deposit)	X
Group savings	X
Off-book group savings	X
Demand deposits	
Overdraft accounts	X
Current accounts	
Other (user defined)	

Savings and Deposit Interest Calculations	
Day of deposit to day of withdrawal	X
Minimum daily balance	X
Minimum monthly balance	X
Minimum quarterly balance	
Average daily balance	
Average monthly balance	
Other (user defined)	

Payment Types	
Term loans with constant payments	X
Term loans with constant principal	X
Irregular payments (set by the user)	X
Single payment	X
Balloon payments	X
Other (user defined)	

Payment Methods	
Cash	X
Cash in different currencies where appropriate	
Check	X
Standing order (auto debit)	
Smart Card	
Money order	
Credit card	

Payment Frequencies	
Daily	X
Weekly	X
Biweekly	X
Semi-monthly	X
Once every four weeks	
Monthly	X
Bimonthly	X
Quarterly (every 3 months)	X
Other (user defined)	

Payment Year Supported	
365 days	X
360 days (30 days/month)	X
336 days (4 weeks/month)	X
52 weeks	X
Other (user defined)	X

Special Payment Modifications	
Permits suspension of penalty fees	X
Permits deferment of loan payment	
Permits grace periods	X
Permits refinancing (recalculation of payment amounts) of loan	
Other (user defined)	X

Additional Types of Payments	
Commissions and fees	X
Penalty fees for late payments	X
Credit insurance	
Group insurance fees	
Other (user defined)	X