



# Linkage Business Models: Common Threads & Critical Questions

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# Why Linkages Matter



Chidinma Eyinaya on her farm, Osa Okwu, Abia State Nigeria

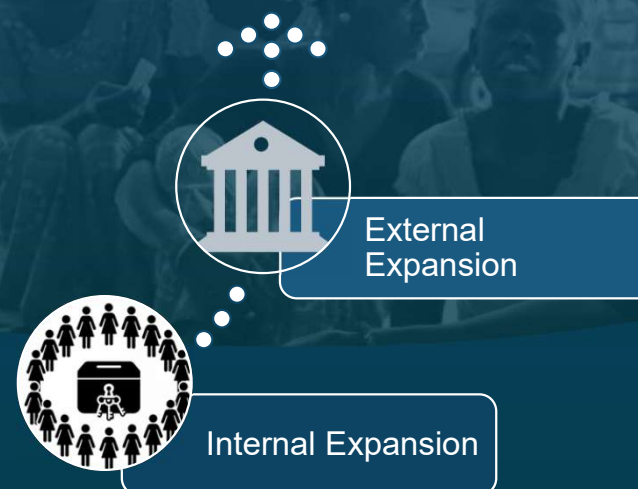
***Reach underserved women***

***Help women manage shocks***

***Ease access for providers***

# Savings Groups as a Foundation for Growth

*With a strong foundation in place, savings groups, and their members, are positioned to grow.*



Solidarity & Support

Improved Financial  
Capability

Democratic group  
management

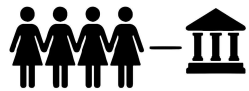
Accessible, Trusted,  
Safe

Flexibility in Savings &  
Borrowing

Formal & Informal  
Training

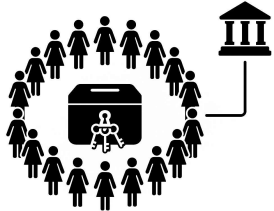


# How Linkages Work: Three Stages



**Stage 3**  
Individual Products

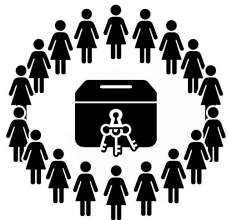
Access to & adoption of broader array of financial services for savings group members



**Stage 2**  
Group Products

- FSPs offer group products
- Trust in FSPs built

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**Stage 1**  
Group Formation,  
Initial Savings

Internal lending capacity + individual financial capability strengthened

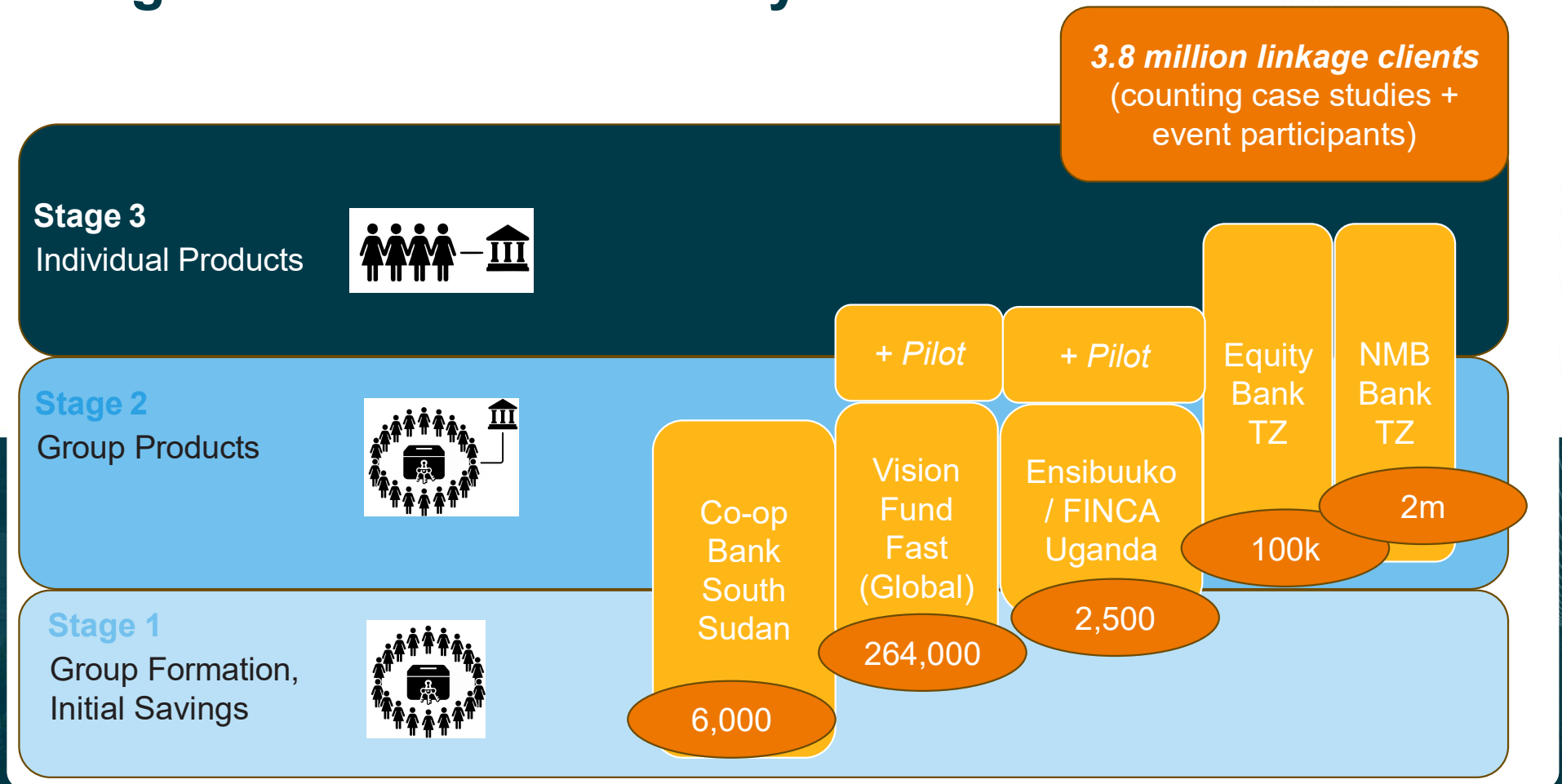
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# Products on offer at group & individual stages

	Savings	Credit	Insurance
<b>Group Linkages</b> 	A shared account where the VSLA deposits its collective savings.	A loan disbursed to group, repaid collectively under internal rules.	Coverage (e.g., health, funeral, crop) purchased for the group.
<b>Individual Linkages</b> 	Personal savings and transaction accounts offered to VSLA members.	Credit offered to members based on group history or individual assessment.	Personalized insurance products (e.g., health, accident, life) for members.

# Linkage Business Models Today



# Market Readiness – Can Linakges Work in My Market?

Factor	Why It Matters	Critical?
<b>Group Density</b> 	Determines cost-efficiency of outreach: Without enough groups in a defined geography, the model quickly becomes cost-prohibitive.	 Non-negotiable
<b>Regulatory Clarity</b> 	Uncertain legal status of groups and group accounts creates risk for FSPs and limits use of mobile money.	 Helpful
<b>Infrastructure</b> 	Mobile coverage, roads, & mobile money agent networks affect reach and cost.	 Helpful

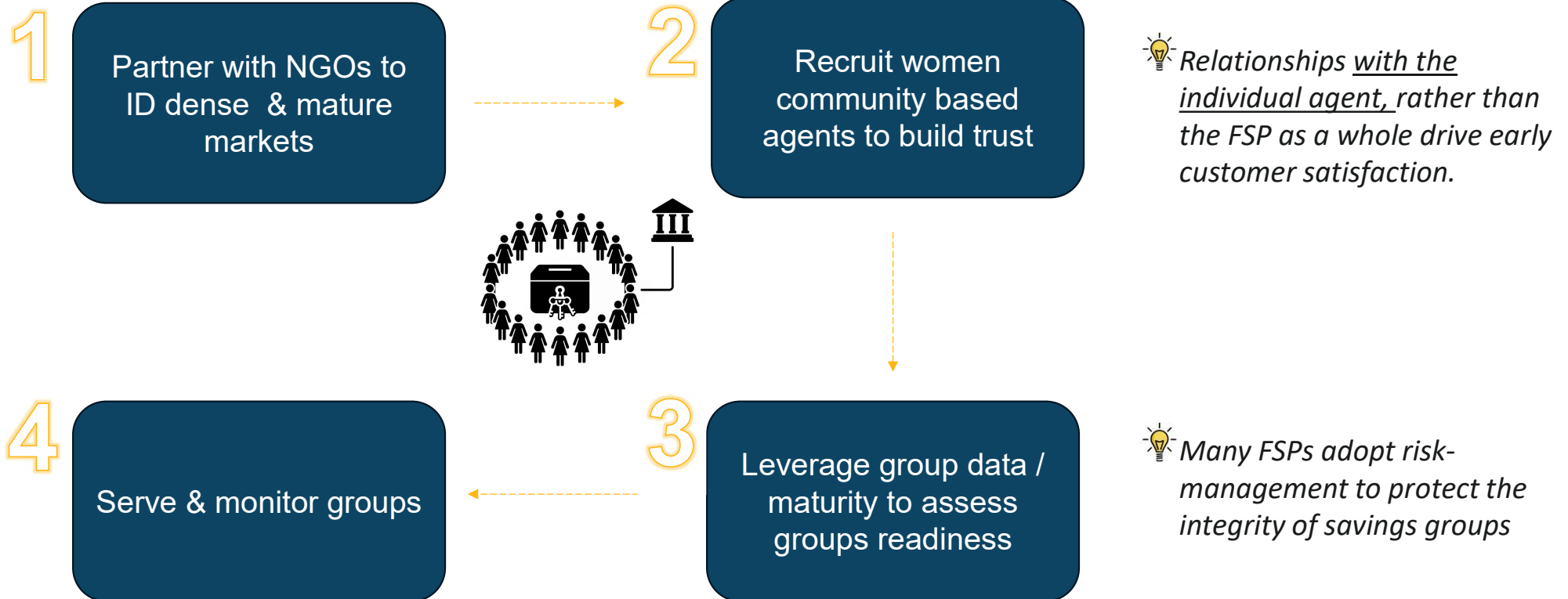
## Group Readiness – When is a Group “Lendable”?

Indicator	What It Means
<b>Maturity</b>	Group has completed a minimum number of savings and lending cycles, showing internal loan management capacity
<b>Cohesion</b>	Stable membership, participation, and high internal trust
<b>Recordkeeping</b>	Accurate and transparent logs of savings, loans, and share-outs
<b>Group-wide Demand for External Capital</b>	Clear and collectively shared need for larger, external loans
<b>Group Governance</b>	Constitution, elected leadership, and accountability



# Linkage Startup Playbook for FSPs

Successful Group Linkage Models share a common approach to rollout, leveraging SG capacity & Building Trust



# Recap: Common Characteristics of Group Linkages

## Must Haves

- A **density of strong, mature savings groups**
- Group “cashbox” **products**
- Trusted **community agents**

## Enablers

- **Supportive Regulations**
- **Minimum Infrastructure** that lowers delivery costs
- **Digitized** practices and services that reduce costs

## Success Indicators

- ☑ High repayment rates/ low PAR
- ☑ Repeat & increasing borrowing
- ☑ Stable group membership and growing group savings/share-out

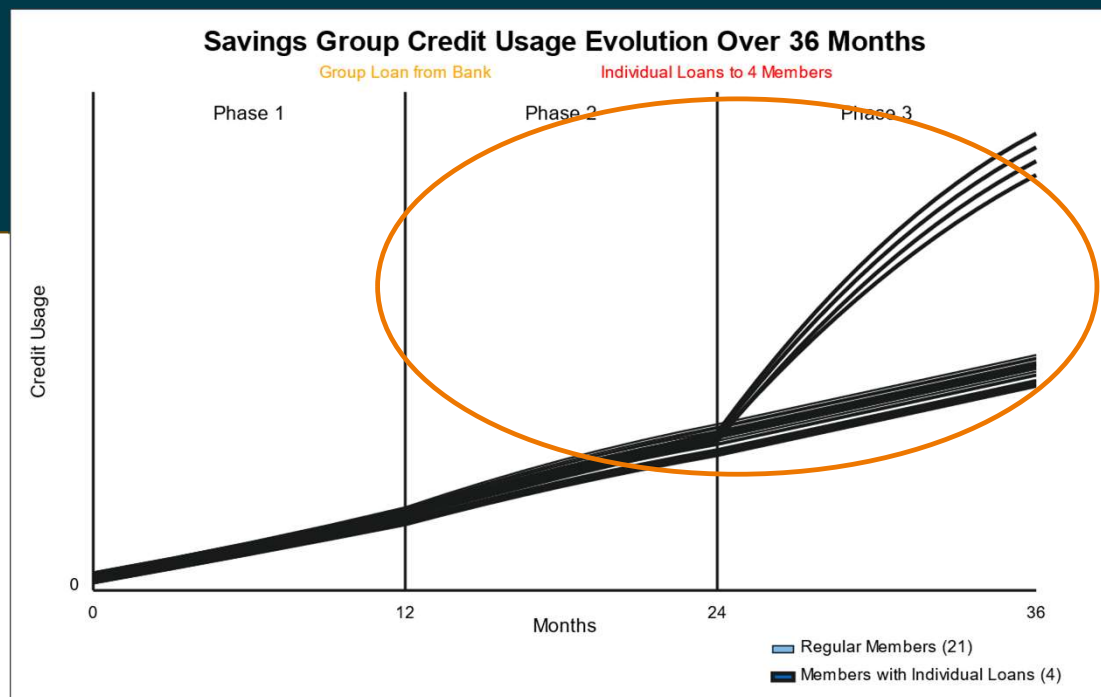
### Warning Signs

- ⚠ Group or product dropout rates
- ⚠ Tech abandoned due to poor value proposition
- ⚠ Stagnant or decreasing savings and borrowing

# Individual Linkages – Success Factors & Open Questions

## Stage 3

Individual Products  
for Savings Group  
Members



# Individual Linkages are Digital & Offer a Mini-Ladder



FINCA®



Women can gradually increase loan sizes as needed



But many of these examples rely on “hard-coded” relationships

# Takeaways & Key Learning Questions

- How do we move from isolated linkage success stories to scale?
- How do we most strategically deploy subsidies and public financing, to accelerate scale?
- How do we focus business models on women's resilience and growth?