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## Nomanini is transforming access to finance for MSMEs in Lusaka, Zambia

When Moses Lungu secured a spot for his grocery store right next to a bus station, he knew he'd gain a competitive advantage thanks to passing trade. "Business was hard," he admits, adding: "It was really hard to balance up the stock."

As an informal trader in Kanyama, Lusaka, Lungu found himself caught between two tensions. On the one hand, holding consistent stock would tie up his working capital; on the other hand, holding less stock, or diversifying his offering, could result in running out of products, resulting in missed opportunities for sales.

Then there's the issue of dealing with large wholesalers. Alex Chalwe, a small convenience store owner in Obama, Lusaka, expresses a growing frustration about "companies that deliver products in the morning and expect payment by the end of the day. Most of the time, we are unable to make payment as we haven't sold anything yet — it's simply a bad deal."

Cash flow is a huge challenge for most small businesses, but in the informal sector, this can be a deciding factor between success or failure. Credit is generally unavailable, as these cash-only businesses do not have the kind of collateral that would satisfy a banker. Research and [media coverage](#) reveals that many of these merchants fall prey to lenders who charge exorbitant rates.

Apart from scarce working capital, emerging traders face other challenges, such as cash handling and access to simple and convenient supplier payments without needing to leave their stores for visits to the bank.

Esther Mpamba, a grocery store owner in Kanyama, Lusaka, explains: "I have a lot of returning customers that come to buy from my shop. If I do not open my shop, a lot of my customers will complain."

More than 85% of retail transactions in Africa are within the informal trade sector, and over 10 million informal merchants operating in Africa are reached by FMCG distributors, yet the supply chain is hampered by inefficiencies. FMCG suppliers are challenged by the loss of sales when merchants are unable to pay for inventory as a result of there being no cash in the register at the time of stock delivery, meaning drivers have to return to the depot with unsold stock due to merchants' lack of working capital.

Trader Assist allows merchants to pay for their stock orders using credit in the form of working capital accessed via a simple cell phone app. "When Trader Assist came, I was able to split the capital on different stock," says Lungu, adding: "I'm able to get other things even as I prepare to make my payment." Trader Assist takes advantage of the open-loop platform developed in 2019 by Nomanini and Standard Bank, Africa's largest bank by assets.

Merchants may access responsible working capital via a simple cell phone app or an existing field sales automation system. "When Trader Assist came, I was able to split the capital on different stock," says Lungu, adding: "I'm able to get other things even as I prepare to make my payment."

Banks that integrate with Nomanini benefit by growing their points of presence into the informal market without the costly capital expenditure associated with branches and ATM networks.

Nestlé, a major FMCG supplier on the continent, partnered with Nomanini and Standard Bank to develop the Trader Assist platform, which enables merchants buying Nestlé products to order stock advances with access to credit. Suppliers benefit by cementing their relationships with merchants and can take advantage of the resulting brand loyalty by helping them broaden their inventory.

As Esther Mpamba explains: "Although affected by the COVID-19 pandemic, I was still able to order Nestlé products. Their trucks would come to our community and deliver straight to me. Trader Assist is helping my business progress. It grew my capital, which enabled me to buy more products. For example, with Nestlé I have a three-week payment period. This means I have a window that enables me to buy many other shop items. When that three-week period lapses, I pay my dues and order more products to stock. I get more products now than ever."

With Trader Assist, merchants are able to thrive and provide a valued service to their communities. As Esther Mpamba puts it: "I see that a lot of people depend on my business, and I also depend on them."

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## ABOUT NOMANINI

Nomanini is a pioneering fintech that connects merchants, distributors and service providers to overcome fragmentation, optimise digital distribution, and scale Africa's informal retail ecosystem by combining new digital financial services with existing distribution networks.

Nomanini was founded in 2010 and is headquartered in South Africa.

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