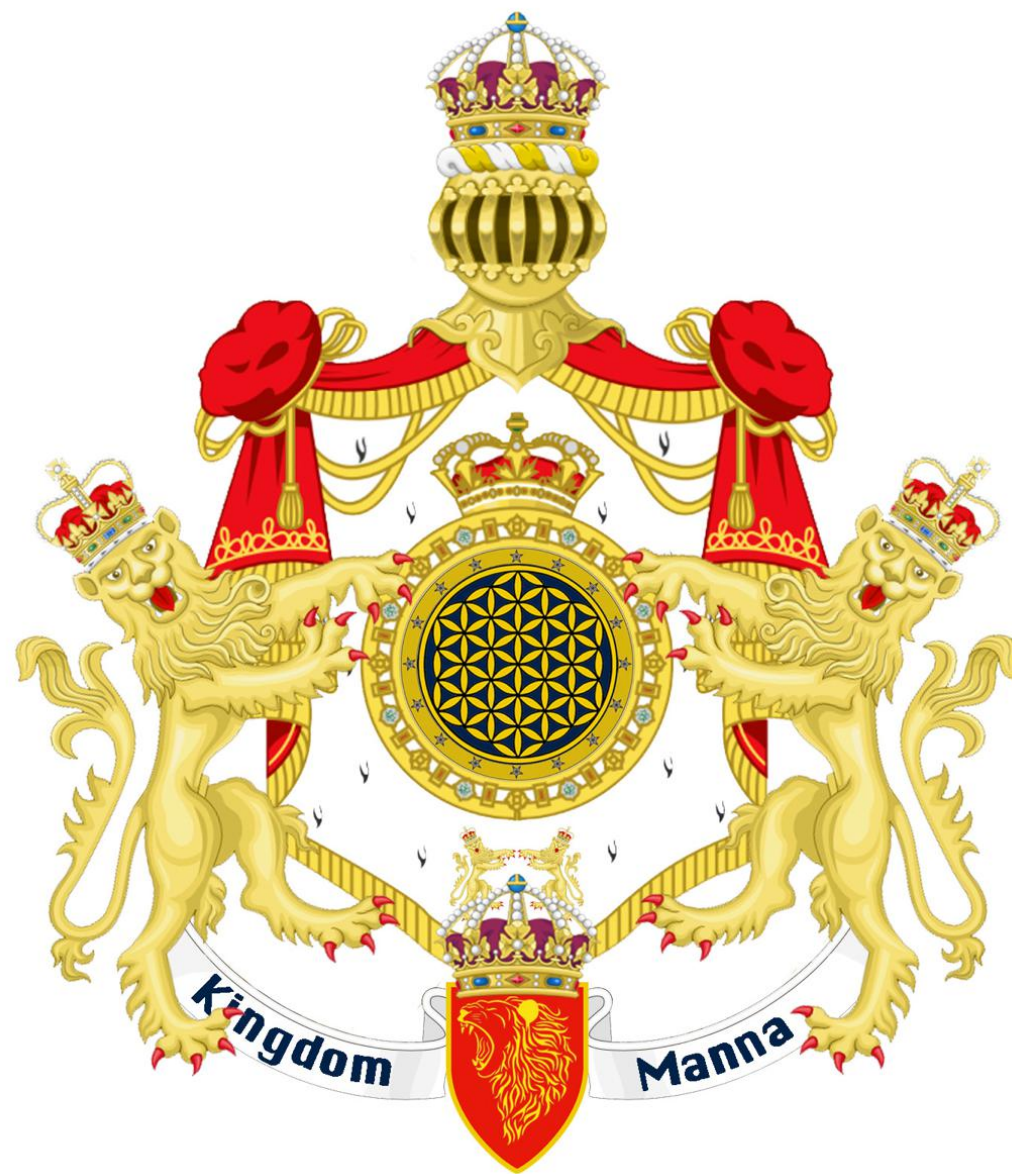


How to sell your Business Idea



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IOCRSCI

ORG. INTERNATIONAL INSTITUTE





Security and Safety Experts







PRIVATE SECURITY CONGRESS



**KENYA PRIVATE SAFETY AND
SECURITY FEDERATION**





(Under Formation)



SHIMONI

Integrated Development Project Co. Limited



The Future awaits the Prepared Ones



How do we define Business Success?

- ☐ Money
- ☐ Market Value
- ☐ Business Value
- ☐ Customer Base
- ☐ Geographical Growth
- ☐ Years in existence
- ☐ Social Impact
- ☐ Vision and Values
- ☐ Market Dominance
- ☐ Generational sustainability
- ☐ Brand Image
- ☐ Awards



What do we present first?

- C.I.S.
- N.C.N.D.A.
- EXECUTIVE SUMMARY
- COMPELLING REASON TO ACT

Deal Hygeine



Don't forget to scale with clear timelines

- Here's a good place to present your team listing their experience



M-Owo

Mobile Money for the Nigeria Market

BACKGROUND

Mobile financial services in Nigeria have enormous potential to expand access to financial services for the unbanked poor.

Nigerians are most likely to use traditional banks for their financial needs, but many are excluded from financial services altogether.

50
million

adults in Nigeria, or
60% of the population

AND

OVER
76%

of the country's
rural residents

**do not engage in formal
banking of any kind**

Grameen Foundation, "Opportunities for Increasing
Access to Digital Finance in Nigeria," October 28, 2014.



Half of Nigeria's population
lives in urban areas
National Census, 2011

OVER
Half of urban dwellers live
in absolute poverty
NBS, 2012

BACKGROUND

Mobile financial services have such strong potential in Nigeria.



The low rates of banking participation are not the result of a lack of interest. Some 84 percent of those who have never had a bank account report that they would like to get one.¹ The factors that hinder uptake of banking are strong enough to override potential customers' desire to participate.

Grameen Foundation, "Opportunities for Increasing Access to Digital Finance in Nigeria," October 28, 2014.

USER EXPERIENCE IS KEY

The experience of Ms. Badmus, a young woman from Lagos, is instructive as an example of the way negative user experience prevents the sector from securing and retaining a critical mass of customers.

Ms. Badmus, Customer of Paga Tech

"If I have 100 or 200 Naira, I can save on mobile money," she says. "I am not sure the banks accept so little. They ask for 500 and more to transact."

Transacted weekly through an agent, an experience she found positive.



Agent was competent, trustworthy, and provided fast service.



Hit with various fees, when an unexpected expense forced her to make a withdrawal.



Her experience was so negative that she plans to stop using the service.



"They said 250 Naira for monthly charges and 50 for early withdrawal," she says. "I almost cried that day because it pained me a lot. I had 500 Naira, they deducted 300, and I had only 200 left. I want to leave Paga because the ... charges are too much."

ADVANTAGES AND OBSTACLES

Like Ms. Badmus, current and potential customers perceive many advantages to mobile money over traditional banks.

Advantage

S

Speed of Transactions

A survey of non-MM-users by Enhancing Financial Innovation & Access (EFInA) reveals a strong perception that transacting using a phone is faster than doing so by other means.

EFInA, "Maximising the Uptake of Digital Financial Services through Understanding Consumer Perspectives," March 4, 2014.

Convenience and Accessibility

MM transactions can be completed from home or with a nearby agent, obviating the need to travel to and wait in lines at the bank.

Small Transaction Amounts

Many non-users appreciate that transaction amounts can be smaller than is typical at traditional banks, a factor that looms large for low-income savers who tend not to amass much money at once.

Trust in Local Agents

The Grameen Foundation study found that users' experiences of MM are often tied up with the personal service provided by the MM agents in their communities. These familiar intermediaries, who work in the local language and are immersed in local customs just like their customers, provide users a reassuring sense of trust.

ADVANTAGES AND OBSTACLES

Obstacle

S

Inappropriate Services + Products

MM companies usually charge high fees and offer products that may not fit customers' needs. Savings instruments with extreme restrictions or punishing fee structures lead to negative experiences for many poor customers.

Unreliability of Networks

Service interruptions are common and lead to long transaction times. The Grameen Foundation research found that even when things are working correctly, MM transaction systems often require many steps and much time to complete even the most basic actions over the phone.



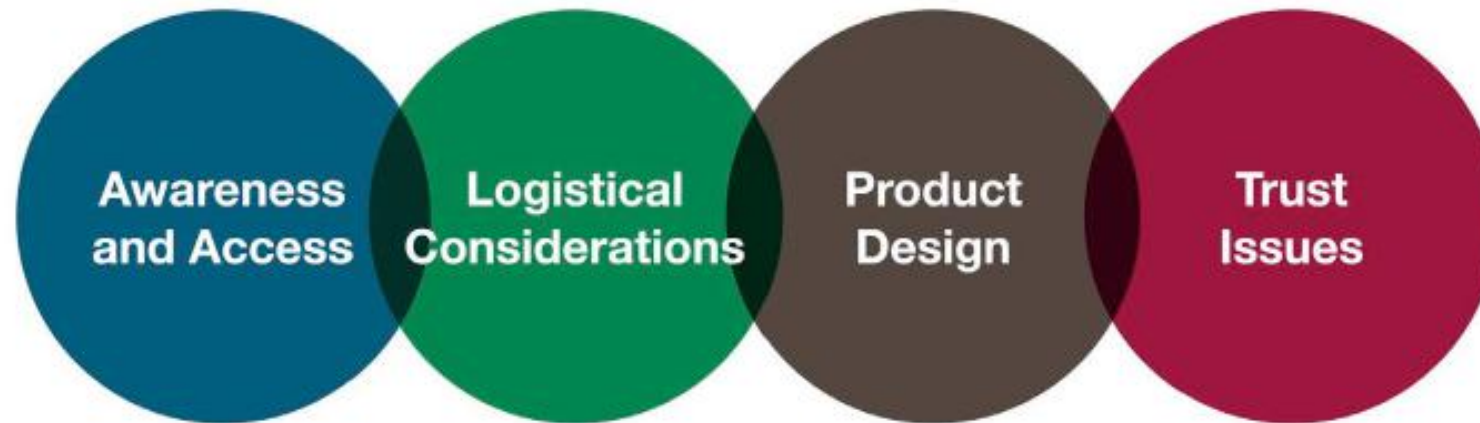
Awareness

These negative factors are enough to dissuade some potential customers who understand the risks. But the user experience research found that even more unbanked Nigerians are either unaware of these services or unsure how they work.

CUSTOMER EXPERIENCE

Providers who wish to seriously boost the mobile money market among poor users need to assertively address several factors of the user experience that impact people's uptake and continued use of these services.

**The Grameen Foundation user experience study found
that these factors fall into four broad categories:**



Introducing :

M-Owo

- **Mobile Money for the Nigeria Market**
- **Mapped against the successful Kenya M-pesa model**
- **Customized to the Nigerian Market**
- **Establishing dominant flexible services**

A brief introduction to



- **M-PESA was designed to provide Financial Services for the many Kenyans without access to conventional banking**
- **Originally a DFID co-funded pilot to make Finance more accessible**
- **Business based upon high volumes of low value transactions**



- Money transfer by SMS
- Fast, Safe, and Easy to use
- Available to anyone
 - no need for a bank account
 - no joining fee
 - no monthly charges
 - no minimum balance
- ***Pay As You Go*** charging model



- Go to an M-PESA Agent to:

Buy M-PESA e-money

➤ Deposit money your M-PESA account

Sell M-PESA e-money

➤ Withdraw your e-money as cash

- send money to another by SMS instruction
- buy Safaricom prepaid airtime



Register
FREE
at any Authorised
M-PESA Agent*



Send pesa by phone

M-PESA is the new, easy and affordable way to send money home.

* Please see following advertisement for a list of Authorised M-PESA Agents.



www.safaricom.co.ke
Terms & Conditions Apply

08/05/07

- **Local shops register as Cash In/ Out Agents**
- **Currently over 360 Agents nationwide**
 - many are Safaricom airtime dealers
 - others are petrol stations, supermarkets...
- **Agents have both cash & e-money floats**
- **Network being extended to include banks**



Go to an Agent to register:

- 1. You may need a free “new generation” SIM card***
- 2. Register your account**
- 3. Send M-PESA an SMS**



M-PESA menu

M-PESA will send you a new menu

**** All SIMs since October are new generation***

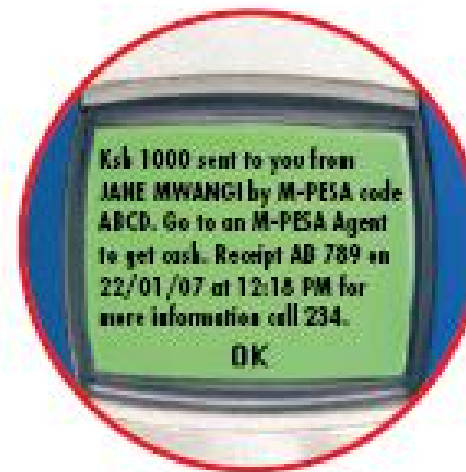
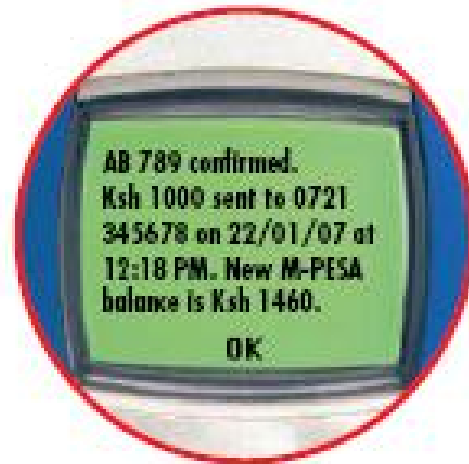


Go to an Agent to buy M-PESA e-money

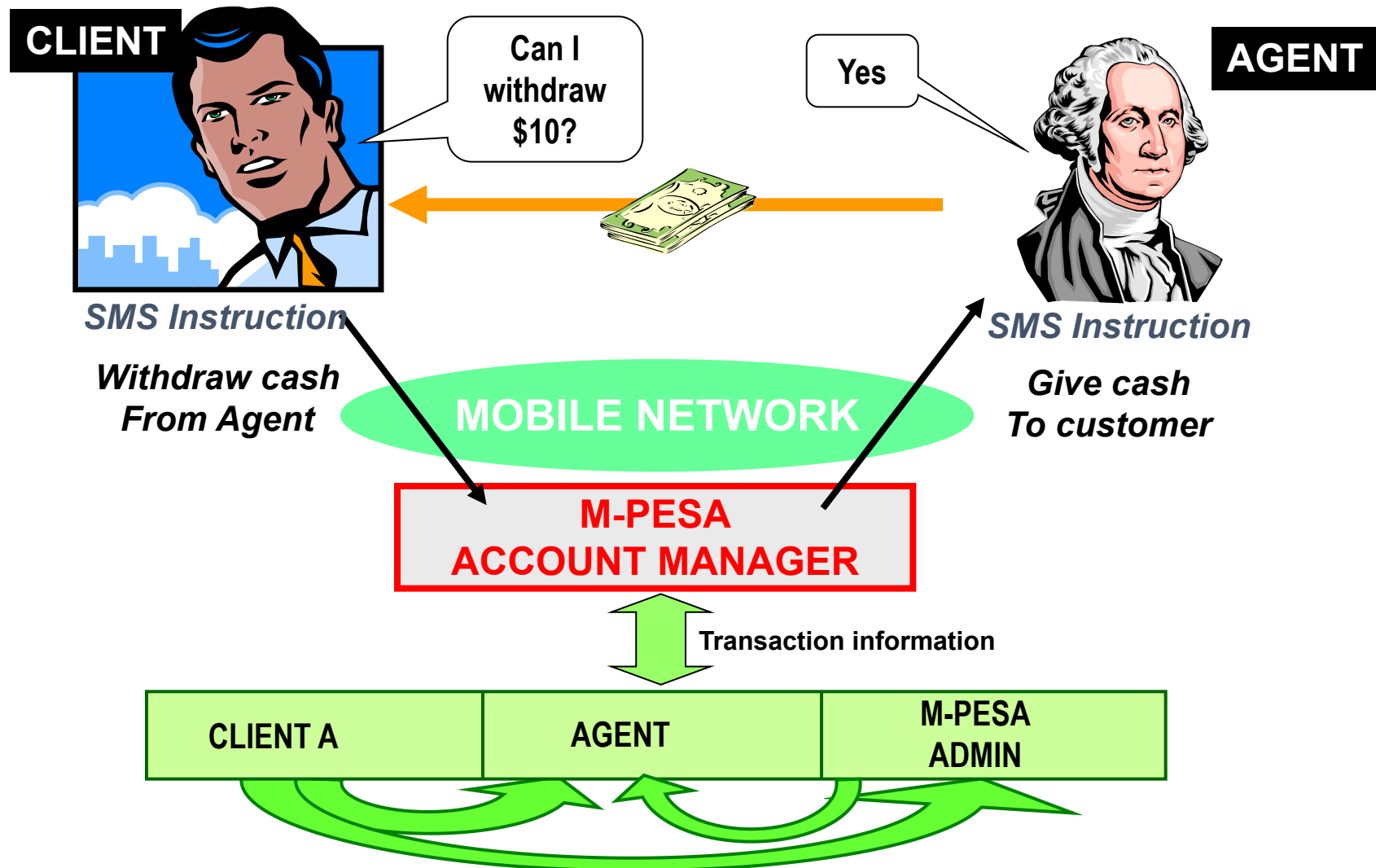
- **Agent uses his phone to send e-money to your M-PESA account**
- **You both receive an SMS confirmation**
- **You give him cash in return**

In your M-PESA menu pick “send money” & enter

1. Recipient phone number
2. How much you want to send
3. Your secret PIN



You both receive SMS confirmation of the transfer

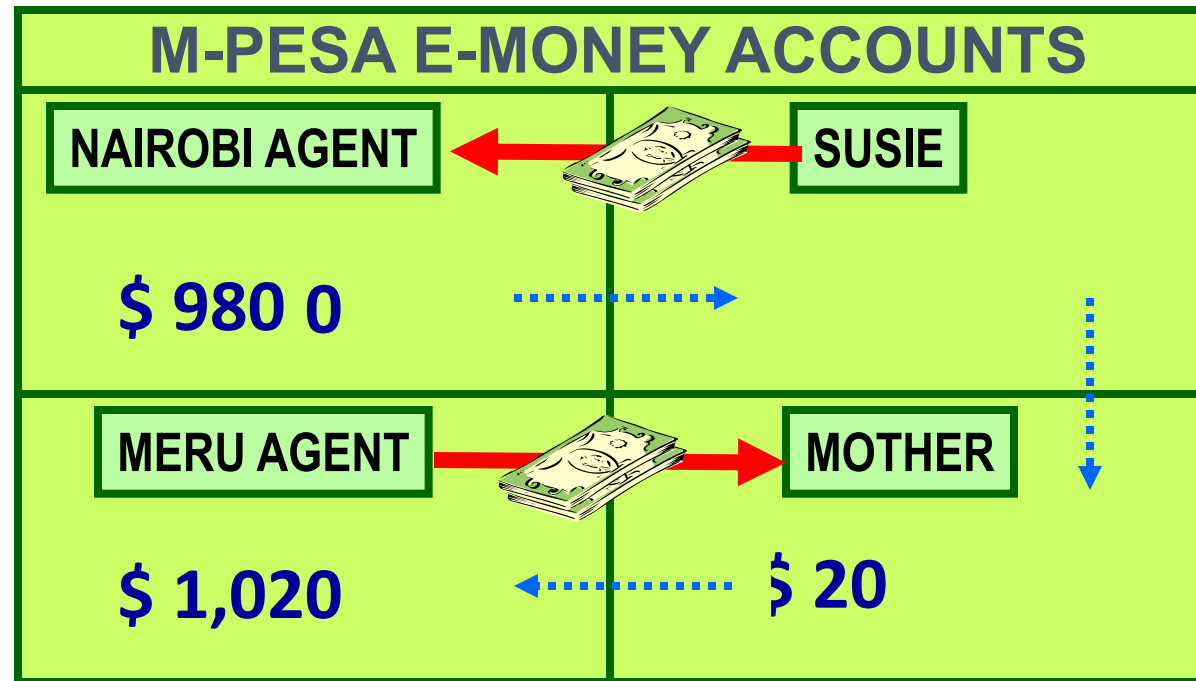


- M-PESA is electronic value **[e-money]** backed by real money in a conventional bank account
- Users can
 - buy e-money for cash
 - send it to others by SMS instruction
 - sell e-money in exchange for cash
- Safaricom has the Trust Account with the real money
- M-PESA records to whom that money belongs

- Agents buy M-PESA e-money for their store floats by depositing money into the M-PESA bank account
- Clients buy it for Cash

M-PESA E-MONEY ACCOUNTS	
AGENT 1 \$ 1,000	CLIENT A
AGENT 2 \$ 1,000	CLIENT B

1. Susie buys \$20 at Nairobi Agent
2. Susie sends it to Mother
3. Mother cashes \$20 at Meru Agent



- M-PESA is very competitively priced
- A full tariff is available. Example charges are:

Total Cost of sending:	\$15	\$75	\$150
to another M-PESA customer	\$0.83	\$1.13	\$1.60
to an Unregistered* customer	\$1.13	\$1.50	\$2.65

**whether subscribed to Safaricom or another network*

Many other services are being developed

- ❖ International Money Transfers with Citigroup**
- ❖ Salary Payments**
- ❖ Utility payments - rent, pension contributions etc**
- ❖ Merchant payments [in store]**
- ❖ Facilitating Microfinance and Banking services**
- ❖ Government Social Payments**
- ❖ Cash free “cash on delivery”**





An investment to make a difference

- ☐ Experienced players in the Private Sector have convened to launch M-Owo
- ☐ The key investment will be launched as a Private Company initiative
- ☐ Mobile Money will be available through all Telcos in Nigeria
- ☐ A Mobile Financial Aggregator Service will be embedded
- ☐ The Regulator will have clear visibility into flow of Mobile Money
- ☐ Security is embedded in the new service, customers are protected
- ☐ New technology enables rapid growth of services
- ☐ Distributor and Agent network built on successful model
- ☐ Overall enhanced economical benefits due to increase in transactions
- ☐ New ecosystem within Financial Markets
- ☐ Creation of multiplied employment opportunities
- ☐ Ease of doing business enhanced

Future

- ❑ Cut-throat competition is expected to push tariffs to a fraction of what is presently charged, making investment almost unattractive given the related outlay and maintenance costs
- ❑ Telcos are keen to continue partnering with banks to offer financial products through mobile phone based bank accounts or through mobile banking services
- ❑ Google to partner with MasterCard, Citigroup and Verifone to offer mobile payments on phones running android operating system - Platform entails a shift from the present model that is dependent on SIM cards and making it available to all users of android powered phones
- ❑ A partnership between Airtel money and MasterCard to enable customers make purchases online is yet to be formally announced
- ❑ New products expected from Ericsson, Visa and Nokia
- ❑ African operator revenues from money services are set to rise to more than 5% in 2015, representing a USD3 billion opportunity

Thank you

