

SME FINANCE FORUM

Enabling MSME Finance through Digital Transformation

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ACCION



Presenting today



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Who we are

We are a global non-profit committed to **economic development, globally, through the financial inclusion of micro and small enterprises**, with a pioneering legacy in microfinance and fintech impact investing

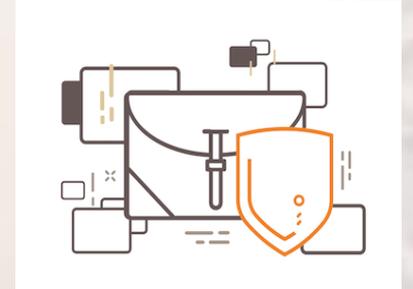
ACCION

Global Reach



110 Partners

Clients Protected



45 million

FinTech Startups Supported



50+

Our integrated approach



INVEST

We invest in Financial Service Providers in developing economies, that are well positioned to effect change



SUPPORT

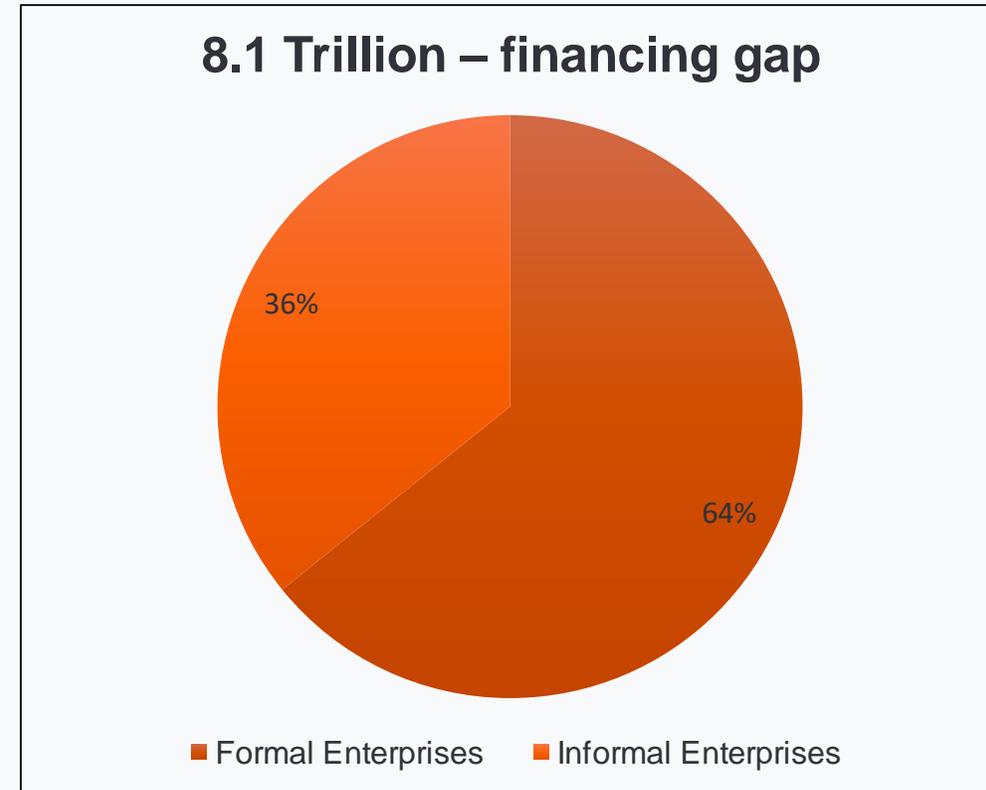
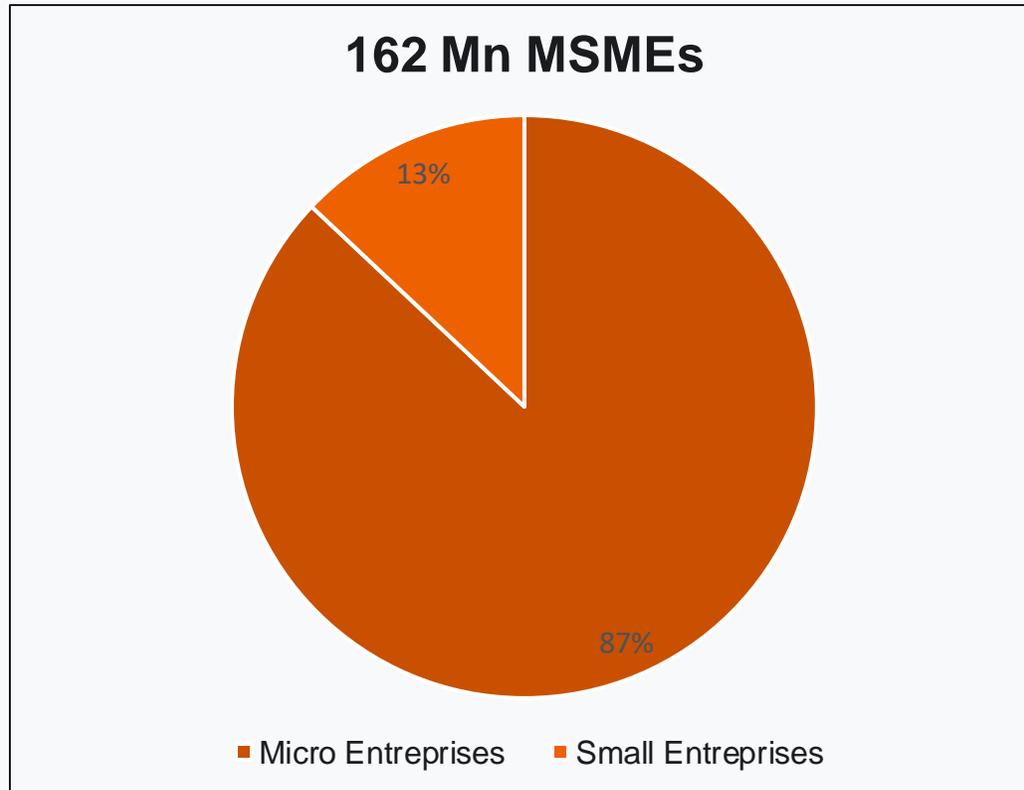
We provide advisory services to partner organizations, utilizing our 5 core service offerings to enhance financial inclusion



INFLUENCE

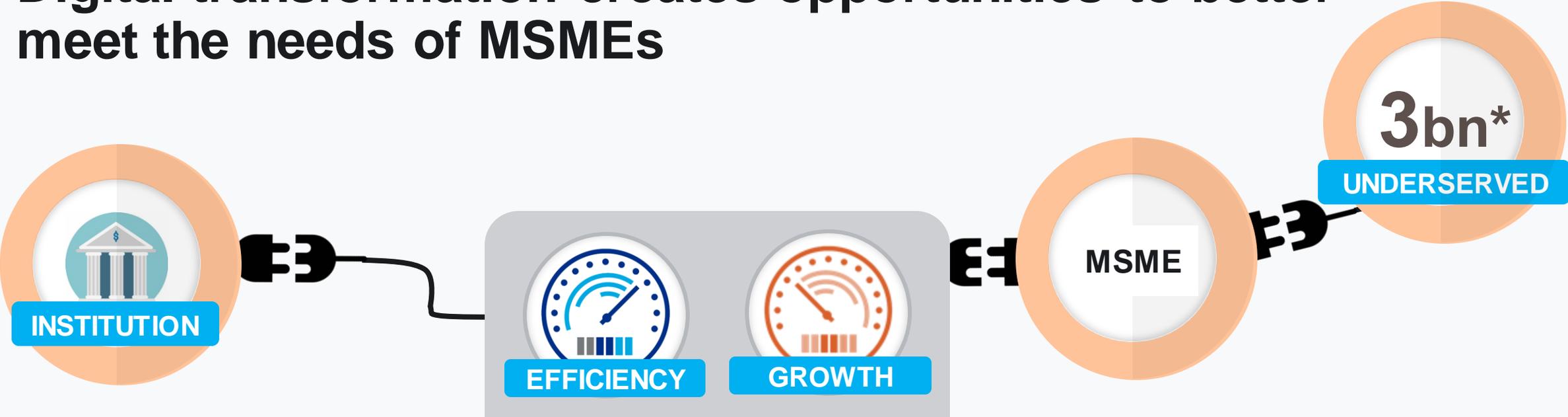
We facilitate events and produce thought leadership to stimulate the industry and catalyze economic development

MSMEs face a \$8.1 trillion dollar credit gap due to disparate circumstances which impact access to credit

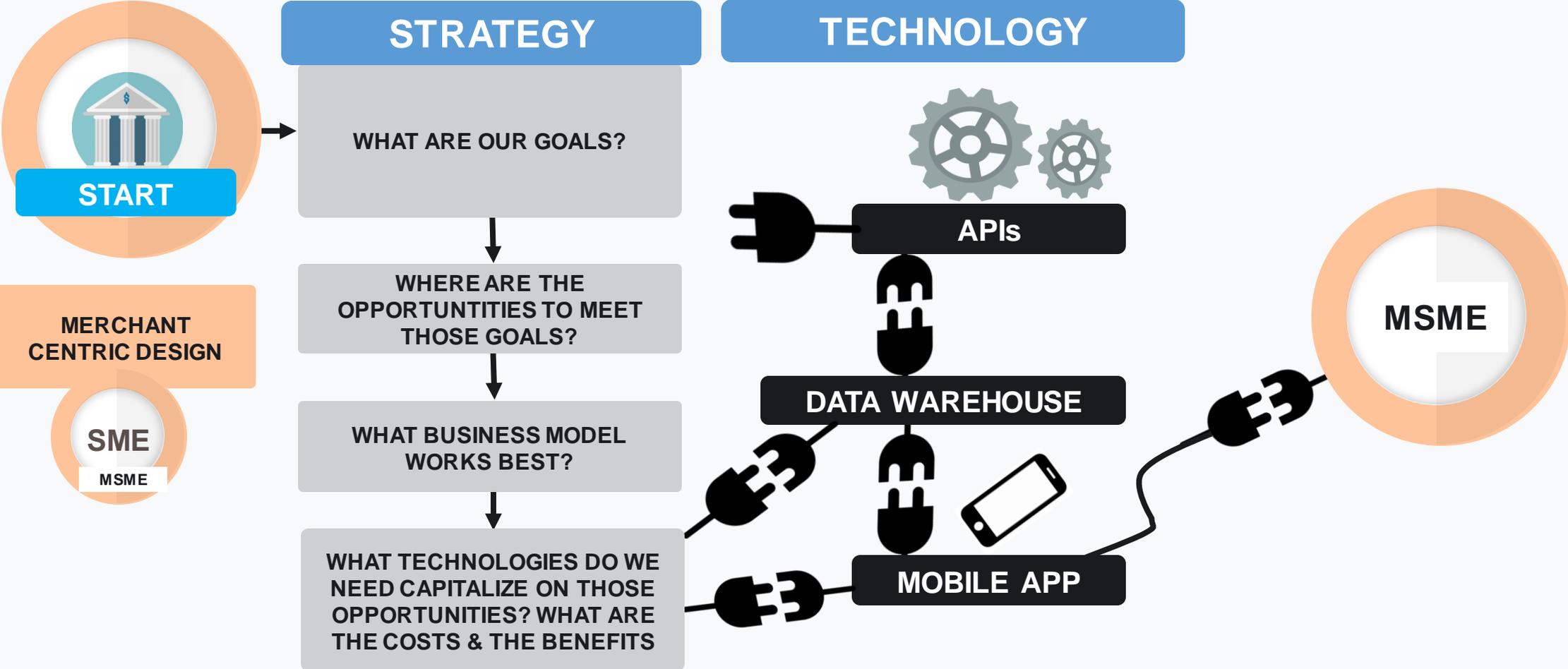


*Source: IFC MSME Finance Gap Report 2017

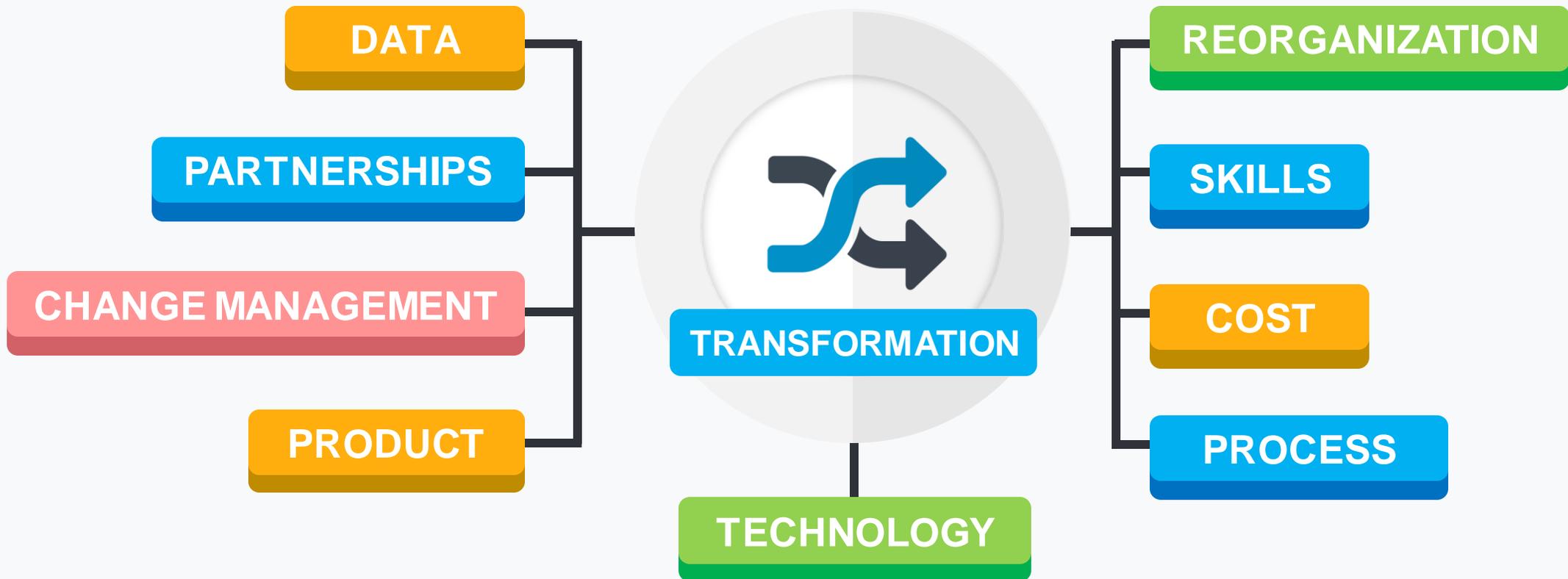
Digital transformation creates opportunities to better meet the needs of MSMEs



Technology choices depend on business goals and the business model that best meets firm capabilities

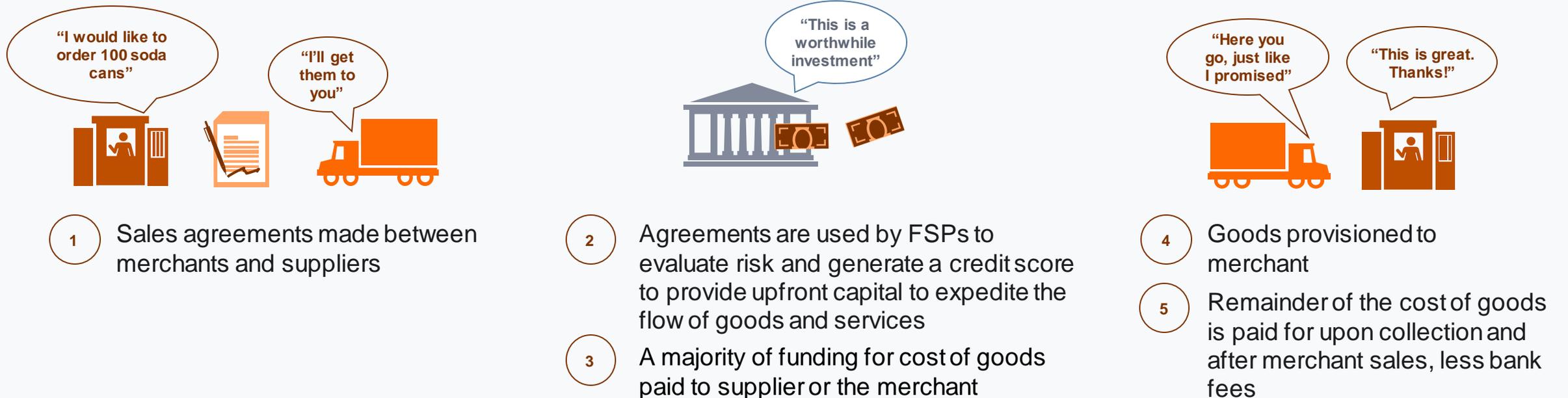


Digital transformation involves a multitude of factors that work together to enable technology to flourish



What is Supply Chain Finance?

- Use of financing and risk mitigation practices to optimize the management of the working capital and liquidity invested in supply chain processes and transactions
- Applies to trade between the buyer and seller of goods and is triggered by supply chain events, such as the signing of contractual agreements or the delivery of goods
- Ties capital to the expedited flow of goods and services



SCF opens doors to financial inclusion through its lower inherent risk

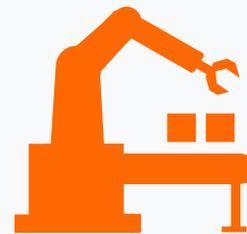
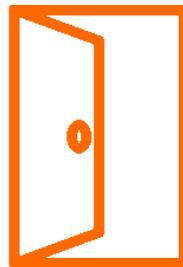


MSMEs

- Fully manual processes
- No formal financial products

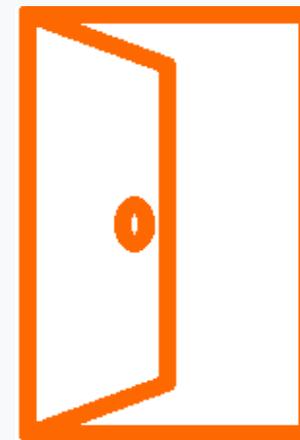


Can't access regular formal loans (MFIs or otherwise)



Supply Chain Finance

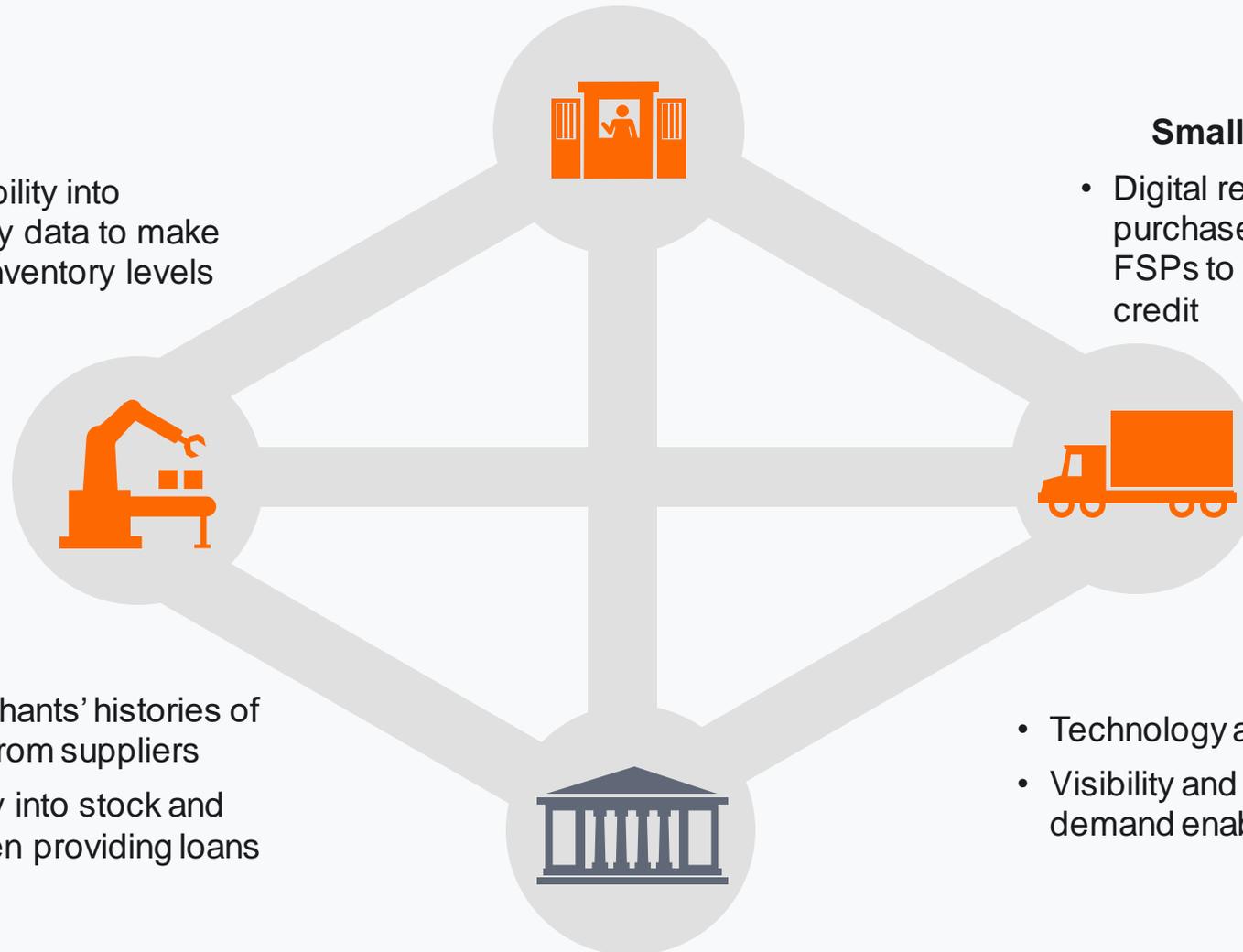
- Short term
- Limited uses
- Lower risk loan
- Creates financial history



FSPs

- More financial products and services

Delivering SCF to MSMEs requires a collaborative approach, made possible through digital transformation



FMCGs

- Real-time data provides visibility into merchant sales and inventory data to make accurate predictions about inventory levels and better target sales

Small Merchants (MSMEs)

- Digital records offer proof of purchases and inventory-needs for FSPs to underwrite and approve credit

FSPs

- Partnerships provide merchants' histories of purchase and repayment from suppliers
- Data flows provide visibility into stock and knowledge of turnover when providing loans against inventory

Suppliers

- Technology aggregates real-time demand
- Visibility and transparency of demand enables logistics optimization

Successful SCF requires efficient collaboration across 8 focus areas



Promising SCF solutions bring together the myriad focus elements through digital partnerships-based models



Kenya

- Partnership/offering from Unilever, KCB and MasterCard
- Provides retailers/Duka owners with working capital through a cashless system
- Provides access to quick credit as well as simple and efficient payment systems



Kenya, Tanzania, Rwanda

- Provides multinational companies with a data-driven distribution network focused on the informal sector of emerging markets
- Equips individual agents with proprietary mobile data-collection tools to dramatically increase sales and market coverage for companies in emerging markets



Mexico, Peru

- Provides small store owners with very short-term working capital to fund inventory purchases through a mobile platform
- Partners with major FMCG distributors that service stores, and directly pays distributors for inventory purchases delivered to small store clients

Relevant Accion Resources



[Digital Transformation Survey](#)

An initial diagnostic tool to assess an organization's current stage of digital readiness

[Digital Transformation Framework](#)

A practical and comprehensive tool designed to help service providers navigate the complex digital landscape



[How Digitized Supply Chain Finance Can Help Merchants Grow](#)

A guide for institutions interested in developing a supply chain finance solution