

# Pezesha, Kenya's digital financial enabler platform and marketplace



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Every year, 21 August marks World Entrepreneurs' Day. The purpose of this day is to create awareness of entrepreneurs and innovation throughout the world.

This year, Bizcommunity, in partnership with [Seedstars](#), acknowledges startups on the African continent.

[Pezesha](#), based in Kenya, is a digital financial enabler platform and marketplace connecting quality SMEs to lenders who come to our platform.

Hilda Moraa, CEO and founder of Pezesha, shares her story.



Hilda Moraa, CEO and founder of Pezesha

## ■ Can you tell us a bit about Pezesha?

We are a digital financial ecosystem providing an enabling platform for small and medium businesses to be connected to affordable working capital. We are not lenders, what we do is to provide the right “trust infrastructure” for banks, MFIs and other networks on one end and quality SMEs on the other.

## ■ When, how and why did you get started?

We started in late 2016. Pezesha was started as a result of more than 10 years experiences in fintech and last mile space across the sub-Saharan markets, while interacting with the gap of including the underserved SMEs where there is no digital infrastructure presence or untapped.

For this reason, the motivation to solve for this gap by providing a holistic enabler platform was the primary reason why Pezesha started. We are inspired and passionate about solving the hard problems of financial inclusion to the underserved through a robust and scalable infrastructure we have built in the last three years.

## ■ What is the core function of Pezesha?

Providing an enabler platform and marketplace that connects small and medium-sized businesses to working capital through a collaborative approach where banks, MFIs and other financial institutions or networks can connect on our platform to be matched with quality SMEs.

### **■ *What service do you offer?***

The Pezesha ecosystem provides an array of services in its value chain. We provide: access to capital to underserved quality small and medium businesses and equivalent access to quality small and medium businesses for financiers. We offer access to financial education to drive responsible borrowing and lastly, access to data to ensure accurate and robust credit decisioning process by lenders through our credit scoring and decisioning technology.

### **■ *What are the obstacles you've had to overcome since starting out?***

One of the obstacles is ensuring that our platform is always in line with regulatory requirements. In this regard, Pezesha has partnered with Capital Markets of Kenya to test, design and improve related policies that positively impact our business scale and sustainability. In addition, our approach to regulation is proactive, transparent and engaging as a market leader in our space.

Other obstacles include access to data. Working with underserved SMEs means first getting them to be financially ready by educating them on best practices and leveraging technology to streamline their manual operations, over time developing sufficient alternative data that can be used to build their credit scores up the financial ladder. Pezesha has enabled this value add in as part of our process of providing productive capital to the SMEs we support.

### **■ *Covid-19 has had an impact on businesses around the world. What impact did it have on Pezesha?***

The fact that the SMEs we support through our enabling platform, have had reduced revenues and growth during this unprecedented times considering demand and purchasing power has now been directed to only essential services/products, this means that Pezesha was directly impacted.

That said, as part of our fiduciary duty to be the voice of the SMEs across the markets we operate, we have therefore made an intentional effort to identify and implement forward thinking strategies that unlock opportunities for the SMEs we support and Pezesha as a whole. This includes continuing to support SMEs providing essential services with affordable access to working capital and providing financial education that empowers them with tips on cash flow in keeping their businesses afloat.

### **■ *Were you able to prepare for lockdown? If so, how?***

As a business, we have been proactive and agile in our approach and culture, meaning our preparedness has so far been driven by an open mind to review all aspects of our business and ensure cost-effectiveness at all times, at the same time tap into opportunities that arise in relation to our core functions. Keeping all lines of communication open and effective, that means over communication to our customers, partners and investors.

▣ ***What's the biggest challenge you are facing during this pandemic?***

Reach and eligibility of scaling to SMEs in places outside the city or rural areas as we target to reach more underserved SMEs during this pandemic period. This is largely due to movement and curfew restrictions and such concessions by the government that have to be followed. So we are doing our best to ensure we leave no one behind during this time, and that has been possible through strategic collaborations on the ground.

▣ ***What sort of assistance will you need going forward?***

Access to data from strategic collaborations to empower more SMEs to be financial included. Access to liquidity to ensure more SMEs get supported and do not die during this Covid-19 period as they are the lifeblood of any economy. If we let them die, most of them may never come back to life after this pandemic. It's a collaborative effort from both public and private partnerships.

▣ ***If you are able to operate, what steps are you taking to continue operating?***

Keeping our runway and cash flow healthy. Ensuring focus on our core functions in achieving market and customer value that translates to growth, impact and scale. We are also scaling up partnerships and customer acquisition across all supply chain verticals.

▣ ***Now is the time to innovate and experiment. What is Pezesha doing?***

We are revolutionizing the supply chain sectors by providing purposeful credit facilities through our platform. As depicted, it's a simple process.

Pezesha platform matches lenders/investors who have joined our marketplace seeking to invest and be matched with quality SMEs we credit score, we then advance credit sales to merchant networks via the supplier. A merchant is then able to buy the inventory they require based on their credit limit and stay afloat during this period and post Covid period, leading to a win-win for all stakeholders in the ecosystem when the merchant repays their loan on time.

▣ ***What do you predict the next 6 months will be like in Kenya?***

The only certain thing now is the future is uncertain. The current Covid-19 pandemic has demonstrated the need to embrace innovation *now* in order to survive the future wave. The next months will be a different country, a different world and I believe innovation will be at the centre of that change in the way we carry out business, new opportunities and need for collaborations to drive and accelerate impact at all levels.

▣ ***What has been your biggest lesson from all this?***

Flexibility and adaptability is not a choice during this period, it's inevitable in order to survive. I have built more strength and resilience more than ever before in my leadership times.

▣ ***What would you like to see changed in the African startup landscape?***

I would like to see more local investors. We also need to tell our own stories to put Africa on the world map.

▣ ***What does the future of entrepreneurship look like to you?***

It is still extremely bright. We are entering the age of the entrepreneur where more opportunities will be created as a result

of the increase in unemployment rates caused by the current pandemic. Fintech will be at the forefront of driving entrepreneurship activities.

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