**Business Case for MatchiFi**



**Executive Summary**

**MatchiFi** is a digital matchmaking platform designed to close the persistent financing gap faced by small, medium, and micro enterprises (SMMEs) in Botswana. In a country where economic diversification is a national imperative and unemployment remains a pressing challenge, MatchiFi serves as a high-impact tool to link funders (banks, grant-makers, VCs, angel investors, and development institutions) with high-potential SMMEs through a secure, structured, and insight-driven system.

What we're proposing is more than a product — it’s the foundation of an intelligent infrastructure that brings financial inclusion, traceability, and efficiency to one of the most underserved sectors in Botswana's economy. Our pilot market is Botswana, but our long-term vision is to scale across the SADC region and ultimately Africa — building a connected, transparent funding ecosystem for the continent’s most crucial business segment: SMMEs.

**Problem Analysis**

Botswana has long depended on diamond revenues, but as reserves wane and policy pivots to diversification, SMMEs are seen as a pillar for future growth. However, this potential is threatened by the chronic lack of financing.

In Botswana, approximately 35% of GDP is contributed by the SMME sector (MITI, 2023), and around 50% of national employment is derived from these enterprises (BIDPA, 2022). Yet, access to finance remains a key constraint. According to the CSO (2008), 52.8% of informal enterprises listed better loan access as their top need, while over 26% cited access to credit as their biggest barrier to growth. Despite government schemes and a liberalised financial sector, micro and small businesses still rely heavily on informal financing like personal savings and family loans.

Compounding this problem is the cautious approach of commercial banks driven by credit rationing behaviours, lack of collateral from borrowers, poor credit histories, and perceived business risk. These dynamics create an environment where growth is stunted, innovation is suppressed, and the broader goals of poverty alleviation and employment generation are compromised.

**Solution Overview**

MatchiFi is a mobile-first, cloud-backed digital solution that intelligently matches SMMEs with appropriate funding opportunities based on business stage, sector, compliance status, financial performance, and future potential.

The platform does more than match — it guides both funders and businesses through the application, documentation, communication, and monitoring process. Funders are able to pre-filter candidates based on their own criteria, while SMMEs are supported with loan-readiness content, reminders, and document templates.

As the platform gains adoption, its value extends far beyond matchmaking. It collects real-time data on business performance, sector needs, loan uptake, and user behaviour. Over time, this data can be leveraged to provide the first truly aligned, live database on the SMME ecosystem in Botswana. With this, policy makers, funders, and development agencies can gain actionable insights into where to deploy capital, what businesses require, and which sectors are thriving.

Further, MatchiFi is designed to foster responsible lending. Through built-in collaboration features, matched SMMEs and funders can engage in transparent agreements, set impact targets, and track fund usage — closing the loop and ensuring that financing is not just accessed, but well managed and impactful. This supports better investor confidence — locally and globally — and helps set Botswana up as a credible and bankable SMME economy.

**Market Opportunity**

There are over 100,000 micro, small and medium enterprises in Botswana, many of which operate informally but form the core of household income and rural employment. Government and NGO-backed schemes are increasing but lack coordination and visibility.

SMMEs are especially important in engaging two often marginalised groups — youth and women. With the rise in university graduates, increased digital literacy, and entrepreneurial interest, the time is ripe for a system that bridges the financing divide.

The broader opportunity lies in scaling the platform regionally. SADC faces similar issues across Zambia, Namibia, Lesotho, and Mozambique, underfunded SMMEs, siloed support systems, and limited cross-border SME integration. MatchiFi can evolve into a regional infrastructure to facilitate inter-market SMME partnerships, trade, funding flows, and innovation transfer, enhancing regional development and collaboration.

SMMEs are not just economic participants, they are the heartbeat of developing economies. MatchiFi is not just a tool but rather it is a catalyst of a continent-wide movement towards sustainable economic self-determination.

**Competitive Advantage**

Unlike traditional directories or static loan portals, MatchiFi is dynamic, data-driven, and designed for impact. Our matchmaking engine uses real-time input to intelligently pair SMMEs with tailored funding opportunities. The platform is:

* **Mobile-first:** Designed to function on low-data connections and across devices.
* **Locally designed:** Reflects Botswana’s regulatory and operational landscape.
* **User-first:** Simple, intuitive UI/UX to support low-digital-literacy users.
* **Built for scale:** Enables sector-specific analysis and region-wide interoperability.

We are not trying to replace banks or grant programs, we are amplifying them.

**Business Model**

MatchiFi will operate on a freemium model for SMMEs:

* **Free Access:** Basic matchmaking, business profile creation, and educational resources.
* **Premium Features:** Priority listing, grant writing templates, impact reporting tools.

Revenue will be generated from:

* **Institutional Partners:** Banks, NGOs, and government funds pay for qualified lead generation and API access to applicant data.
* **Grant & Loan Management Tools:** Optional modules for funders to track disbursements and usage metrics.
* **Analytics Dashboards:** Insight-as-a-service for policymakers and investors.

**Go-To-Market Strategy**

Our approach is community-first. We aim to build traction by:

* Partnering with local business hubs, SMME networks, and government agencies (e.g., MITI, LEA).
* Running targeted social media campaigns showcasing successful funding stories.
* Hosting MatchiFi “Finance Ready” workshops in key districts.
* Leveraging influencer advocacy and affiliate models through youth-led organisations.

The trust deficit in financial markets is best solved by embedding ourselves in the community, providing value early, and building with our users — not just for them.

**Team & Skills**

[To be completed]

**Tech Stack**

[To be completed]

**Risk & Mitigation**

* **Low User Adoption:** We are prioritising human-centered design, early piloting with users, and embedded onboarding to drive initial trust and usage.
* **Mistrust of Financial Actors:** By operating as an independent, transparent intermediary, MatchiFi fosters confidence. Plus, users retain control over what data is shared.
* **Data Privacy & Compliance:** The system will comply with local data protection laws and operate on secure cloud infrastructure with user-level access control.
* **Sustainability Risk:** We are designing the platform with monetisation from multiple channels, enabling revenue reinvestment and scalability.

**Growth and Future Prospects**

MatchiFi’s long-term vision is built on more than product expansion, it is built on systems change. As our platform grows, the data collected from thousands of SMMEs across Botswana will provide critical insights into the structure, challenges, and evolution of the local business landscape. This information can become the foundation of a real-time SMME intelligence engine, tracking funding needs, operational gaps, performance patterns, and sectoral shifts with unprecedented precision.

Such insights will not only empower funders to make smarter decisions, but also allow government and private stakeholders to tailor programs and policies that respond to real business needs in real time. MatchiFi will actively collaborate with funders and SMMEs to introduce transparency and accountability mechanisms ensuring that capital deployed is not only accessed but monitored, tracked, and utilised for its intended purpose. This improves funding outcomes and creates a culture of shared responsibility between lenders and borrowers.

As the ecosystem matures, MatchiFi will become a benchmark of investment guidance for both local and international investors looking to enter or support the SMME space. It will enable them to identify growth-stage businesses, de-risk investments, and create sustainable impact through data-driven engagement.

While Botswana is our proving ground, our aspirations are continental. SADC countries face similar structural bottlenecks in SME financing. Expanding MatchiFi across the region enables intermarket data-sharing, coordinated financing strategies, cross-border trade facilitation, and a unified SMME development framework. Our endgame is to make intra-African collaboration smoother, smarter and faster and to elevate SMMEs to become regional growth engines.

MatchiFi is not a startup, it’s a movement. A movement to rewire how African economies fuel themselves from the ground up. And SMMEs are not just participants, they are the lifeblood of economic transformation.

**Final Note**

MatchiFi is more than a startup. It is a mission to transform the way funding works in Africa. By starting with Botswana, we have the chance to prove what’s possible when technology, finance, and grassroots ambition converge. A future where SMMEs are no longer underdogs but leaders, this is the movement we’re building.

**Types of Funding available for SMEs  
Government Grants and Programs**

The Government of Botswana offers several initiatives to support SMEs, particularly focusing on youth and women entrepreneurs.

Notable programs include:

Youth Development Fund (YDF): Designed to empower young entrepreneurs by providing financial assistance and mentorship to viable business projects.

Women’s Economic Empowerment Programme: Aims to support women-owned businesses through grants and training, fostering economic inclusion.

Requirements and Preparation:

Detailed Business Plan: A comprehensive plan outlining the business idea, objectives, market analysis, and financial projections.

Citizen-Owned Business: Many grants, such as the Youth Development Fund (YDF), prioritize citizen-owned businesses.

Proof of Viability: Demonstrate the potential for profitability and sustainability. For example, if applying for YDF, the business must show it can generate income and create jobs.

Commitment to Training: Many programs require participants to attend business development training sessions.

**Commercial Bank Loans**

Several banks in Botswana provide tailored loan products for SMEs. For instance, the Bank of Baroda offers competitive small business loans and financial advice to support business growth.

Requirements and Preparation:

Collateral: Most banks require some form of security, such as property, vehicles, or equipment.

Creditworthiness: A good credit score or credit history increases the likelihood of approval.

Business Registration: Proof that the business is legally registered and compliant with tax regulations.

Steady Cash Flow: Banks assess the business’s cash flow to ensure it can repay the loan.

**Development Finance Institutions**

Institutions like the Citizen Entrepreneurial Development Agency (CEDA) offer funding solutions to citizen-owned businesses. CEDA provides both financial and technical support, aiming to promote viable and sustainable enterprises.

Requirements and Preparation:

Sector Fit: CEDA prioritizes businesses in agriculture, tourism, property development, and manufacturing.

Business Proposal: A clear and detailed proposal showing how the funds will be utilized and the expected outcomes.

Equity Contribution: Entrepreneurs may need to provide a percentage of the required funding themselves, depending on the loan amount.

Job Creation Potential: Businesses that create employment opportunities are given priority.

**Microfinance Providers**

For SMEs that may not meet traditional banking requirements, microfinance institutions offer accessible funding options. These organizations provide smaller loan amounts with more flexible terms, catering to the needs of small-scale entrepreneurs.

Requirements and Preparation:

Proof of Business Activity: Show evidence of business operations, even if informal, such as sales records or inventory.

No Collateral Required: Many microfinance lenders don’t require collateral, but they may charge higher interest rates.

Repayment Plan: Demonstrate how you plan to repay the loan based on expected revenue.

**Asset-Based Lending**

Companies like Lamna in Botswana offer short-term, asset-based loans to startups and entrepreneurs. This financing method allows businesses to secure loans using assets such as property or equipment as collateral

Requirements and Preparation:

Valuable Collateral: Assets such as property, equipment, or vehicles must be owned outright or have sufficient equity to secure the loan.

Accurate Valuation: Have your assets professionally appraised to determine their value.

Business Purpose: Clearly state how the loan will support your business, such as acquiring more inventory or upgrading equipment.

By exploring these funding avenues and preparing adequately, SMEs in Botswana can access the necessary capital to drive growth and contribute to the country’s economic development.