# INVESTMENT MEMO: PIVO

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WHAT THEY DO:  
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This company is a financial services platform that provides credit, payments, insurance, and business accounts to SMEs within manufacturing supply chains to help them manage their transactions with their large corporate customers.  
  
  
DECK | WEBSITE  
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https://pivo.africa/#/  
  
ROUND DETAILS  
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Terms: How much are we investing and what valuation?  
Stage: Pre-Seed/Seed/Series ABC?  
Co-Investors: If any?  
Information Rights:  
Pro-Rata:  
City: Company Location: Lagos, Nigeria  
  
Sex:  
Industry: Financial services platform for Supply Chains.  
  
  
TRACTION AND PROGRESS SO FAR:  
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Traction: We've steadily grown 49% MoM since December 2021 USD2m Total capital disbursed since launch 150 Units of Loans30-Days Average Cash Cycle 2.5% Net Interest Margin2% NPL Ratio Now $2m Capital Disbursed $50,000 Revenue p.a Initial focus on Transport/Logistics finance  
  
It looks like the product is at MVP and further along in development. The team has disbursed $2 million in capital since launch and has grown 49% MoM since December 2021. They are also expanding their services, such as launching additional financial services, launching Pivo in Ghana, Kenya, and Togo, and acquiring a micro finance banking license.  
  
  
BUSINESS MODEL  
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Answer:  
  
Pivo Digital Bank for Trade makes its money by charging platform fees to its users. They maintain a 3% margin on every capital disbursed, charge a 1% management fee, a flat rate transaction fee on inflow and outflows and a monthly USD5 account maintenance fee, as well as a flat rate 5% transaction fee on insurance premiums.  
  
  
FOUNDERS AND VISION  
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Founders:  
Nkiru Amadi-Emina (CEO and Co-Founder)  
Ijeoma Akwiwu (COO and Co-Founder)  
  
The founders' vision for Pivo Africa is to become the neobank for trade financing in Africa and bridge the gap between SMEs in emerging markets and traditional financial institutions. They are motivated by their desire to provide accessible, affordable, and reliable financial services to SMEs in the supply chain industry and to help them succeed. They are driven by the need to create an innovative and reliable way to finance SMEs in Africa and to empower them to grow their businesses.  
  
  
FUNDING:  
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Conclusion:  
  
Pivo has raised a total of $2.55 million in seed and pre-seed funding since launch. This includes an undisclosed amount of funding from investors such as MercyCorps, PrecursorVentures, and Vested World, as well as a $100,000 pre-seed round and a $2 million seed round. They have also raised an additional $24 million in their Series A funding round.  
  
  
USE OF FUNDS:  
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The team plans to use the raise to power the next stage of their growth, which includes loan portfolio growth, hiring senior and mid-level management teams, product development, licenses, and market expansion.  
  
  
PRODUCT/SERVICE:  
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Product/Service: Financial services platform for Supply Chains providing credit, payments, business accounts and insurance to SMEs in manufacturing supply chains.  
  
  
CONTACTS:  
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Phone: +234 8 0-3088-3778Email: hello@pivo.africa  
  
emails:   
  
MARKET OUTLOOK:  
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The market size for supply chain finance is estimated to be USD1.5 trillion and growing to USD2.5 trillion by 2025. This market has grown rapidly over the past few years, driven by the need for SMEs to access funds to meet their working capital needs and to service their corporate customers. The company has decided to focus on supplying financial services to SMEs within manufacturing supply chains, with a focus on Nigeria. This provides them with an opportunity to capture a portion of the USD13 billion SME supply chain finance gap in the country.  
  
  
RISKS:  
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Risks   
  
The main risks to Pivo Digital Bank include:  
  
1. Regulatory Risk: Pivo must comply with the regulatory requirements of the countries in which they operate, as well as the regulations of the financial services industry. Failure to do so could result in fines or other penalties.  
  
2. Technology Risk: Pivo relies on technology to power their platform. If the technology fails or is hacked, Pivo could be exposed to significant losses or customer dissatisfaction.  
  
3. Competition Risk: Pivo faces competition with traditional financial institutions, digital banks, and other digital lenders. If they are unable to differentiate themselves, they could struggle to gain market share.  
  
4. Customer Acquisition Risk: Pivo must effectively market their products and services in order to acquire new customers. If they are not able to reach their target market and educate them on their products and services, they may fail to gain traction in the market.  
  
To ensure success, Pivo must get absolutely perfect in the following areas:  
  
1. Regulatory Compliance: Pivo must remain compliant with all applicable regulations and industry standards.  
  
2. Technology: Pivo must develop and maintain reliable and secure systems and platforms for their customers.  
  
3. Customer Acquisition: Pivo must create effective marketing and education campaigns to reach and inform their target market.  
  
4. Product Differentiation: Pivo must differentiate themselves from the competition and clearly explain why their products and services are superior.

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