



TiendaPago

Mexico and Peru

Established in 2014, TiendaPago aims to solve small scale entrepreneurial operation challenges by providing mobile-based financial access to small stores.

SUMMARY

TiendaPago provides access to finance for small merchants in Latin America through a mobile platform. They aim to bring financial inclusion to more than 3 million unserved stores and families in the region through a simple solution which blends digital financing and payments.

CHALLENGE

Small scale entrepreneurial operations, such as convenience stores, have difficulty scaling-up sales activities due to lack of access to finance and financial intermediation. Most of these entrepreneurs are women who currently find it hard to fit into supply-chains with global brands and modern logistics systems. The lack of access to finance as well as intermediation services further limits potential income, mobility, and empowerment.

SOLUTION

Launched in 2014, headquartered in Miami, and with ongoing operations in Mexico and Peru, TiendaPago has developed a mobile-based platform which specialises in distribution of finance. The company aims to resolve the challenge for merchants with limited cash availability to pay distributors. Currently, they buy limited inventory, thereby limiting full potential sales and store sustainability.

TiendaPago also brings a solution for big consumer brands by allowing merchants to pay inventory through their phones. Suppliers can thus spend less time collecting payments, and handle less physical cash.

IMPACT

To date, the stores that use TiendaPago have between 20-30% higher inventory turnover. Suppliers visit stores once for delivery, and have their funds available in less than 24 hours via electronic transfer.

COMPETITIVE ADVANTAGE

While there are other models that provide upstream finance to small merchants, no other actor offers a solution to small merchants in the distribution chain.

By creating the first digital footprint in this particular segment, shopkeepers can use mobile phones as a transactional means for the first time. Furthermore, by unveiling large amounts of data and insights that matches their inventory turnover and increases in sales, TiendaPago can replace non-core functions and reduce cash transactions. In addition, such data allows TiendaPago to deploy an alternative credit scoring and customise financial services to their users.

TiendaPago established partnerships and IT-integration with large global suppliers, which have created additional barriers for competitors to enter the market.

SCALABILITY

Current partners are heavily involved in entering other geographical markets with TiendaPago, as cash management and lack of credit is a common issue for many fast-moving consumer goods (FMCG) brands globally.

For TiendaPago to reach scale, the main challenge will be to integrate their product with core FMCG processes which will aid growth and lower overall operations costs for the company and its partners. Ultimately, TiendaPago aims to be a payment ecosystem for stores, where users will only require a single platform for all necessary payments in a cashless manner and help pay for other services such as utility bills, air-time, and employees through a digital process.



EXPANSION PLAN 2019-2023

- Become the largest traditional channel data miners by gathering more data from clients on their transactional behaviour.
- Iterate and improve product diversification and offer wider financing for products.

INVESTMENTS

TiendaPago is currently looking for debt alternatives to fund growth operations and scale with FMCG partners. As covenants become tighter and the structure top heavy, the company is looking for additional lending schemes of USD 10 million.

In terms of equity, TiendaPago is planning to raise a second round by 2020 in order to fund company growth and acquire new shareholders that will contribute with additional expertise.

ANNUAL REVENUES

- 2019: USD 2.0 million
- 2018: USD 1.0 million
- 2017: USD 0.6 million

PARTNERSHIPS

A key variable in TiendaPago 's business model is its partnerships with FMCGs. Current partnerships include global brands such as **AB Inbev, Coca Cola, Pepsi Bottling, Gloria, San Fernando,** and **Alicorp.**

AWARDS

- Dragons Den (2016)

FOUNDER

Dan Cohen, CEO

Dan Cohen is a leader in financing the traditional supply chain in Mexico and Peru. He founded companies and developed teams in large LATAM distribution companies. He started two companies in 14 countries in LATAM with over 2,000 employees (Celistics and Movilway).

Cohen has previous experience in the financial services industry centred in trading and management consulting in the US, Latin America, and Europe for Fortune 100 companies. He has expertise in traded products, cash, and derivatives in fixed income and equities; from product introduction to implementation. He is a seasoned mergers and acquisitions (M&A) practitioner in financial services. Cohen is a strategy-focused individual with strong analytical, interpersonal, organisational, and leadership skills.

CONTACT

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