



Market Express

Low prices. Smart shopping

MARKET EXPRESS

Inclusive, safe commerce in the era of COVID-19 and beyond

Enabling 100,000 MSMEs to thrive

Presented by: Ebenezer Lartey

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1. Summary: For Ghana to achieve inclusive growth we need real world solutions that use technology to bring along retailers at the bottom of the pyramid



Impact: By 2023

16k MSMEs, 60% BOP

30% given sales & marketing aids

10% given access to credit.

>60% Women owned businesses

Aku is a small retailer at the Bottom of the Pyramid (BOP), she struggles to get good prices and has to close her shop once or twice a week to restock. She has no financial records and is not able to access credit from financial institutions.

MarketExpress is a smart distribution and ecommerce company with a vision to increase incomes for MSMEs while making life, selling and shopping easy and simple for people across Africa.

We distribute FMCG items to retailers like Aku at a low price along optimised routes to prevent stockouts. We have a proven business model, product market fit and currently serve 1454 MSMEs across Accra. To double our impact we need €25.3k to invest in technology and expand our fleet.

The training from AFIDBA enabled us secure financing for technology of €8.6k at concessionary rates.

A grant + loan of €15,000 will enable us to expand our fleet, double our impact and leverage the technology investments secured. This will provide a good foundation to secure venture capital funding for national and regional expansion. We have already begun this fundraising.

2. The Problem: Inefficient Market & Distribution (Fresh Produce & FMCG) leading to low incomes for small informal retailers

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Small informal retailers:

- Lower income due to COVID-19
- Need to close their shops to go to market to restock
- Health risks from crowded markets
- Frequent stock outs

2

MSME Manufacturers, Importers & Farms:

- Inefficient last-mile distribution
- Inadequate data to inform business decisions
- Online customers want a basket of products vrs multiple orders from websites of multiple manufacturers & farms.
- Lower income due to COVID-19



3. The Solution

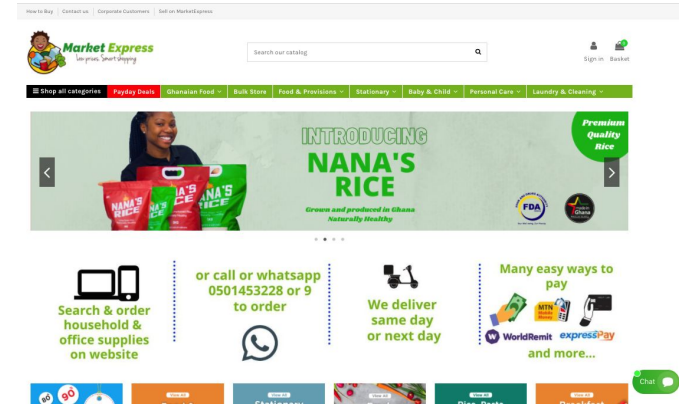
MarketExpress.com.gh is a smart distribution grocery and FMCG eCommerce company operating in Ghana with plans to expand to Nigeria, Kenya, and/or Uganda . We allow :

Manufacturers, importers and farms to sell or distribute products and supply goods through:

- **1. Smart Distribution Platform:** Small shops & informal retailers are registered and have their shops restocked by delivery vans using technology to optimise routes and minimise stockouts.
- **2. Ecommerce Platform & Marketplace:** Manufacturers and farms have products listed online to increase sales.

Our Value Proposition

To small shops & informal retailers	To Manufacturers & Brand Owners
<ul style="list-style-type: none">• Free delivery• Competitive prices• Reduced stockouts• Reduced frequency of closing shop to restock.• Genuine products	<ul style="list-style-type: none">• Smart Distribution platform for efficient last mile distribution.• Online marketing channel tailored for food, household & office supplies.• Prompt payment• Easy tracking of sales & inventory



Our Vision:

Increasing incomes for MSMEs while making life, selling and shopping easy and simple for people across Africa.



Simplicity & fairness in pricing to drive increased incomes



Enabling business growth through technology



Driving sustainability & food safety



How it works: **Smart Distribution**

Sales force & referrals
recruits manufacturers

1. Manufacturers and importers sign
distribution agreements with MarketExpress



4. MarketExpress pays
manufacturer as goods are sold



5. Reports for manufacturer to
drive decision making



2. MarketExpress maps and signs up all
small shops and retailers in a territory



3. MarketExpress distribution van distributes
items to small shops along optimised routes &
collects data on sales through sales application
supported by merchandisers who get
pre-orders and help build customer
relationships.



6. Small shops can also place order for instant
fulfilment (delivery is done by ecommerce
dept.)



The Operations: **Smart Distribution**

Our smart distribution department has 3 critical success factors.

Seller Recruitment

2 Segments

1. Large manufacturers and global FMCG brands
2. Small MSME manufacturers (packaged food, household & office items)

Channel:

Direct senior team + referrals

Customer Acquisition & retention

1. Strong route management and optimisation.
2. Customer & sales mapping & forecasting.
3. Pre-visit calls & communications
4. Shops can also place orders by mobile for immediate delivery by eCommerce team.

Operations

1. Van drivers assigned to specific territory.
2. Efficient operations with optimised inventory levels for most items.
3. GPS-assisted deliveries on fuel-efficient mini-trucks.
4. Route optimisation to increase sales.



How it works: eCommerce

Sales force, online & referrals recruits sellers



1. Sellers list products on marketplace or as suppliers

Sales force, online radio & referrals recruits customers



2. Customer orders, makes card payment or opts to pay on delivery



5. MarketExpress pays seller



4. Delivery + Cash or Mobile money on delivery



3. Fulfilment - MarketExpress purchases from seller & packages



6. Automatic reports, dashboard & reminders for seller



7. Customer places next order after reminders



The Operations: eCommerce

Our eCommerce department has 3 critical success factors.

Seller Recruitment

- 3 Segments
 - Farms
 - Large manufacturers and global FMCG brands.
 - Small processors & manufacturers (packaged food, household and office items)
- Direct sales force + referrals

Customer Acquisition & retention

- Targeting busy professionals
- Online advertising, and remarketing.
- Promotions with corporate HR and procurement departments
- Personalized notifications to drive repeat purchasing
- Strong relationship management/customer care.

Operations

- Robust marketplace and technology platform
- Inventory management and low product alerts.
- Efficient operations with Just-In-Time inventory for most items.
- GPS-assisted deliveries in fuel-efficient cars and motorbikes to minimize cost.



Our Bottom of Pyramid Impact

Value Proposition for BOP

- Improved incomes through better Margins
- Reliable Supply
- Convenience - Saving MSMEs Several trips to Major Markets for restocking
- Providing better prices by cutting out the traditional distribution Channels Distributor, wholesaler and small wholesaler
- Allowing small MSMEs Sell on our online platforms

BOP Impact So far

- We are currently serving over 1400 shops in Accra
- With the help of our supplier, we have been able to distribute 200 free display fridges and Cooler chests to support small shops.

Target

By 2023
16k MSMEs, 60% BOP

30% supported with sales & marketing aids

10% supported with access to credit.

>60% Women owned businesses



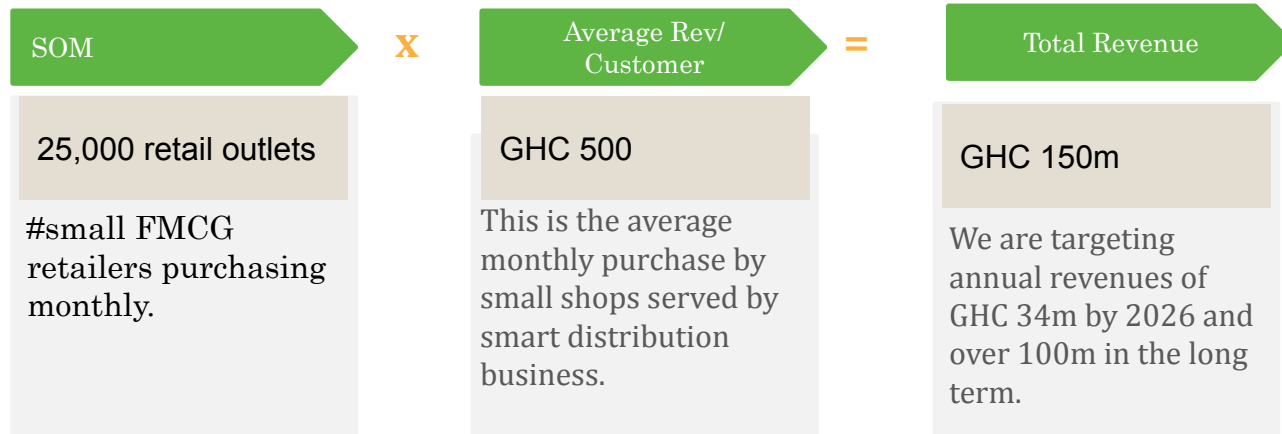
4. Our Target Market: Is large and growing

Assumptions: There are 162.5million MSMEs¹ and Informal Businesses across Africa. The FMCG and Food market is valued at \$933 billion². Market Express is targeting 10 African countries and has identified **25 key cities** in these countries with a population higher than 1 million and estimated 100,000³ small retail outlets retailing FMCG or food vendors with 50% of them in areas of the city that make sense for optimised van routes. Our first market is Accra Ghana

Total Available Market: 100,000 retail outlets and food vendors in Accra

Serviceable Available Market: 50,000 FMCG retail outlets and food vendors in areas of the city that make sense for optimised van routes

Serviceable Obtainable Market: 25,000 retail outlets purchasing monthly from MarketExpress distribution van.



¹World Bank

²<https://www.brookings.edu/wp-content/uploads/2018/12/Africas-consumer-market-potential.pdf>

³Mapping of FMCG stores in major african city by multinational FMCG brand.

5. Our Sales & Marketing Strategy : Provides Value for BOP Customers



Aku our typical customer has low margins and so values getting a good price. She has a feature phone not a smart phone and is comfortable with basic technology. Her record keeping and planning purchases for her business is minimal. She appreciates the consistency of a regular route and visit from her suppliers but also wants the flexibility to order via a phone call if needed.

Value Proposition

- Low prices
- Genuine products
- Free delivery
- Reduced stockouts

Customer Acquisition

1. Customer & sales mapping & forecasting.
2. Strong product assortment
3. Low price guarantee

Sales & Retention Strategy

1. Strong route management
2. Timely Delivery
3. Customer satisfaction check-ins
4. Reminders to reorder
5. Pre-visit calls & communications
6. Data collection for financial inclusion

Advertising & Promotions

1. Point of Sale branding
2. Packaging, vehicle and staff branding
3. Distribution of Sales Aids to MSMEs & BOPs

6. Our Results: We have a history of turning learning into impact and operational excellence

Year 1

- Early prototype of eCommerce platform developed and tested
- eCommerce Technology platform built
- Delivery methods, (outsourced company, inhouse gig drivers etc. tested)
- Final Customer value proposition validated.

Year 2

- Manufacturer & MSME value proposition validated and increase in suppliers & product catalog.
- Key learning:
- Groceries are purchased in market baskets. Customers value getting all their staples in one place.
 - This means in addition to local brands we need to carry all grocery staples.

Year 3

- Customer acquisition/scaling model tested for various market segments
(radio, online advertising, direct sales force, referral program etc.
- Winning formula was digital ads + radio + aggressive sales force.
- Smart distribution product piloted

Year 4

- Developed marketplace features on platform to allow MSMEs to monitor sales.
- Focus on unit level profitability and optimizing costs in preparation to scale.



Our Results : Strong growth, product-market fit and BOP impact

- Registered over 1400 customers
- Supported 200 businesses with Sales Improvement Equipment
- Achieved product-market fit and achieved profitability
- Strong user growth and retention
- Built a robust web and mobile platform
- Built efficient operations with strong team
- Strong corporate governance
- Satisfied manufacturers, suppliers and customers, including farms, market vendors, food processors, informal retailers. (76% women-led)
- #1 Google ranked online grocery in Ghana and top 10 ecommerce



7. Our Team : Our experienced management team and board have fueled our growth

Our Senior Team



Ebenezer Lartey
CEO - Co-founder
(16 yrs banking & IT, CEIBS MBA)



Sandra Cudjoe
Sales & Customer care Manager
(4 years in Customer Mgt.)



Christopher Gumenu
Finance Manager
(9 yrs corporate finance)



Amma Lartey
Co-founder
(17 yrs startup expert, Babson MBA)



Israel Adjei Yeboah
IT Lead

Our Governance

- **ESTELLE AKOFIO-SOWAH – BOARD CHAIR**
Head for West Africa, CSquared (formerly Google Ghana)
- **AMMA LARTEY – DIRECTOR/CO-FOUNDER**
CEO, Impact Investing Ghana
- **BERNARD AVLE - BOARD MEMBER**
General Manager, Citifm & CitiTv
- **ANTHONY MENSAH – LEGAL ADVISOR**
Head of Legal, Consolidated Bank Ghana
- **KWAKU AGBESI - DEPUTY BOARD CHAIR**
Lecturer, GIMPA (Ex-Apple | Ex - GE | Ex - Google | Kellogg MBA)



8. Competition: Is minimal and MarketExpress has a clear advantage.

Main Competitor

Distribution Icons is our major competitor in the Space. However, the opportunity in the market is enormous and still growing. Our competitive advantage over this competitor is our use and introduction of digital technology for operational efficiency



Other Competitors

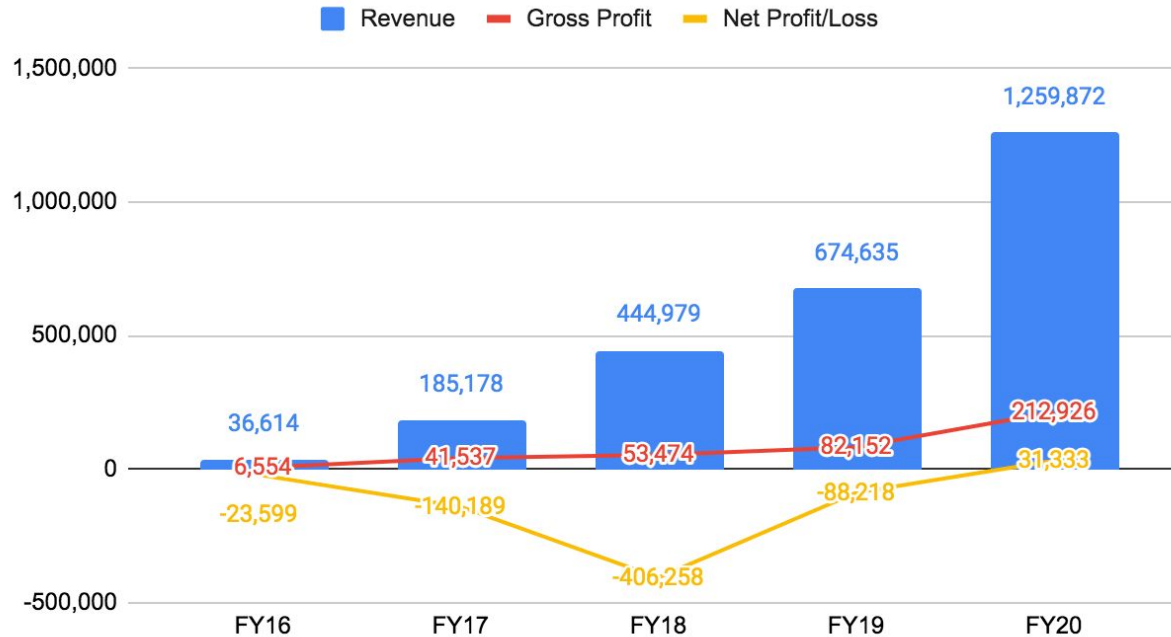
- Major Import/Distribution Companies (Brand owners)
- Wholesalers in the City centres
- Key Distributors

Mitigating Competition

Competitor	Challenge	MarketExpress Advantage
Brand Owners	<ul style="list-style-type: none">- They need partners like MarketExpress to get to the last mile.- They are increasingly outsourcing distribution	<ul style="list-style-type: none">- We can cover wide territory- Our main business is distribution
Wholesalers	<ul style="list-style-type: none">- Are stationary and wait for customers	<ul style="list-style-type: none">- Meeting the customers at their location
Key Distributors	<ul style="list-style-type: none">- Brands give them location restrictions	<ul style="list-style-type: none">- No location restriction

9. Financial History: Sales increased steadily with a small profit in 2020.

Revenue, Gross Profit and Net Profit/Loss



10. The Funding Request

We are seeking \$500k in equity financing to expand our fleet, double our impact and leverage the learning from the previous year.



Uses of Funds

- Fleet and team expansion
- More robust technology
- Introduce a suite of financial services and lending products for retailers (financed by local finance providers).



This will enable Impact: By 2023

16k MSMEs, 60% BOP

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Financial Projection for the next 5-years

Projection	Yr.'21 GHS	Yr.'22 GHS	Yr.'23 GHS	Yr.'24 GHS	Yr.'25 GHS
Revenue	1,600,000	7,200,000	14,000,000	22,000,000	26,000,000
Cost of Sales	(1,370,000)	(6,074,400)	(12,019,400)	(19,047,376)	(22,555,352)
Gross Profit	189,796	230,000	1,125,600	2,952,624	3,444,648
General & Admin Expense	(143,828)	(508,056)	(599,392)	(727,692)	(912,691)
Taxes & Duties	(64,000)	(288,000)	(560,000)	(880,000)	(1,040,000)
Net Profit B/F Tax	22,172	322,058	813,722	1,344,932	1,491,957
Tax on Profit	(4,434)	(64,412)	(162,744)	(268,986)	(298,391)
Net Profit After Tax	17,738	257,647	650,977	1,075,945	1,193,566



Lowest Prices & Genuine Brands



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Thank You