

# The FutureList

**Asaak**

Innovation Memo

# Innovation In Words




A note from the COO and Founding Team Member of Asaak, Edward Egwalu:


Asaak is unlocking mobility-based work, which literally moves the economy forward and creates upward mobility for individuals.

# Asaak


## Executive Summary

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Fintech


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Asset Financing


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[asaak.com](http://asaak.com)

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US\$ 31,500,000

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2017

Asaak is a pioneer in Uganda’s fintech ecosystem redefining the essence of asset financing. Through an initial motorcycle taxi (known locally as boda boda) loan, African entrepreneurs can access a breadth of financial products, from smartphone loans to personal loans. Business owners can manage the entire process from their smartphone or can visit one of their branches and work directly with a dedicated credit officer.

Central to its mission is addressing the significant portion of the population in Uganda and similar regions who remain unbanked or underbanked due to limited access, low income levels, and awareness gaps regarding formal financial services. Asaak confronts hurdles in reaching these underserved demographics while ensuring accessibility and affordability, navigating a regulatory environment characterized by both opportunities for innovation and compliance complexities, and addressing technological infrastructure limitations that hinder effective digital financial service delivery, particularly in rural areas.

However, amid these challenges lie substantial opportunities for Asaak. With a keen focus on innovation and strategic partnerships, Asaak can unlock the vast potential of the untapped market segments, tailoring its offerings to meet specific needs and preferences. By driving financial literacy initiatives and fostering collaborations with ecosystem players such as financial institutions and mobile network operators, Asaak can not only expand its reach but also promote responsible financial behavior among customers. Ultimately, by prioritizing customer-centric approaches and technological advancements, Asaak is poised to not only navigate the hurdles of financial inclusion but also to make a meaningful impact on millions of lives, driving sustainable growth and fostering long-term financial health in Uganda and beyond.



**Kaivan Khalid Sattar**  
Founder & CEO

Kaivan is the visionary behind Asaak. Having previously worked as a data scientist and quantitative analyst, Kaivan combines his financial acumen with technological innovation, bringing a wealth of experience to Asaak.



**Dylan Terrill**  
Founding Team & CBO

With a background in investment banking and business administration, Dylan is responsible for capital markets, finance, and business development functions. He supports in driving the future of asset financing, shaping a path toward financial empowerment.



**Anthony Leontiev**  
Founding Team & CTO

Anthony is the CTO at Asaak. He is a full-stack developer and startup leader focused on building clean and scalable systems.



**Edward Egwalu**  
Founding Team & COO

Edward is the COO at Asaak. He has a background and experience in business startups, fintech, and information technology.

## Innovation Spotlight

### Core Functionality/Features:

- **Asset Financing Solutions:** Asaak provides financing for essential assets, including boda bodas and smartphones. These tools empower individuals to enhance their livelihoods and drive economic growth.
- **USSD-Based App:** Recognizing that not everyone owns a smartphone, Asaak developed a USSD-based app to provide an accessible and user-friendly solution for interacting with Asaak's financial services, and foster inclusion. Through this accessible platform, customers can manage their loans, check balances, and access statements—all without the need for a smartphone.
- **Luganda Chatbot:** Asaak's Luganda Chatbot bridges the gap by providing personalized customer service in a native language. This ensures that all customers receive efficient assistance.
- **Efficient Loan Processing:** Behind the scenes, Asaak's lean and agile loan management system processes loans 10 times faster than non-tech competitors, utilizing only a fraction of the manpower. Efficiency is at the core of Asaak's operations.
- **Credit Score Building:** As customers repay their loans, they simultaneously increase their Asaak Credit Score. This score unlocks access to other financial products, fostering financial growth and inclusion.

### Design and User Experience:

- **Meeting Customers Where They Are At:** Asaak has developed a USSD-based app that allows customers to conveniently manage their loans. Through this app, users can make loan payments, check their balances, and access statements without the need for a smartphone. Additionally, Asaak introduced a Luganda chatbot to provide customer service to Luganda speakers in their native tongue. By bridging the language gap, Asaak ensures that all customers receive personalized and efficient assistance.
- **Streamlining Loan Management:** Asaak has revolutionized its loan origination system. Given the company's focus on physical assets, Asaak aimed to eliminate inefficiencies and operate as an asset-light business. The result? A robust platform that enables Asaak's team to process loans ten times faster than its non-tech competitors, all while utilizing only one-eighth of the manpower.

### Performance Metrics:

- **Asset Repayment Rate:** This metric assesses how much was collected versus the expected amount during a payment period.
- **Monthly Growth Rate:** It indicates the rate at which loan originations increase each month.
- **Employee to Loan Ratio:** This measure gauges efficiency by determining how many loans an employee manages on average.

### Integration/Compatibility:

Asaak's platform has more than 25 official integrations that facilitate essential functions such as messaging, payments, tracking, and KYC workflows. Designed from scratch to accommodate lending operations across diverse products and countries, Asaak's system offers flexibility and seamless plug-and-play integrations. New operations teams can swiftly become productive after onboarding to the platform.

### Safety, Compliance, and Sustainability:

Asaak uses data security and encryption techniques to protect data that mobility workers share with them. Asaak never shares or sells their information (data or credit profile) with third parties.

### Innovation in Business Model:

- B2B2C, B2C and B2B Operational Model
  - B2B2C Target Customers: Ride-Hailing Platforms, Lending and Financing Institutions
  - B2C Target Customers: Boda boda operators, Gig workers, Mobility workers
  - B2B Target Customers: Business Owners

### Scalability of the Innovation

- **Scalability with Purpose:** As demand for Asaak's services grows, the company recognizes the need to scale its operations. However, scalability isn't an end in itself; it's a means to an important goal. Asaak aims to unlock economic potential for marginalized entrepreneurs. Whether the company is financing more motorcycles or expanding into new markets, every step aligns with the company's mission. Purpose-driven scalability ensures that our impact reaches far and wide.
- **Tech-Driven Agility:** Asaak already applies machine learning in its underwriting process. They can continue to harness data analytics, artificial intelligence, and automation to drive efficiency. By remaining agile and tech-savvy, Asaak will remain at the forefront of financial innovation. The company's commitment to adaptability ensures that it will always be one step ahead.
- **Diversification:** The company recognizes that evolving needs require a diverse approach. Unlike some competitors, Asaak's vision extends beyond asset loans. The company is committed to creating a comprehensive ecosystem that empowers mobility workers with essential financial services. Asaak's offerings include personal loans, smartphone loans, fuel loans, and access to savings accounts through the company's esteemed partner, Standard Bank. By diversifying their product offerings, the company caters to a broader range of aspirations, empowering its users further.

## Market Impact & Future Outlook

In 2022, the startup partnered with Standard Bank, headquartered in Johannesburg, South Africa, and with a presence in 20 countries across Africa, to offer financial services to millions of workers (like motorcycle taxi operators) in the informal sector through the startup's proprietary digital loan origination system. Through this partnership, Asaak customers will also have access to tailored services encompassing both finance and insurance. The partnership with Standard Bank comes as Asaak plans to enter six new markets in Africa in the near future.

In July 2023, Asaak achieved a remarkable milestone with its acquisition of FlexClub Mexico, expanding operations across two continents. This acquisition of FlexClub Mexico by Asaak represents a strategic long-term investment and a significant leap forward in proliferating affordable financing across emerging markets. Through this deal, Asaak introduced its innovative incremental credit solutions to Mexico, enabling workers to more seamlessly access affordable credit for their economic advancement.

Asaak is at the forefront of asset financing, challenging conventional norms. The company's approach emphasizes funding productive assets, transcending mere credit extension. By doing so, Asaak contributes to genuine financial inclusion and fosters economic prosperity.

## Societal & Environmental Impact

Asaak's work has far-reaching implications for society, particularly in fostering economic inclusion and promoting sustainable practices. Here's a detailed look at their contributions:

- **Economic Empowerment and Inclusion:** Asaak's asset financing model is a powerful tool for economic empowerment. By providing loans for productive assets like motorcycles and smartphones, Asaak enables bodaboda operators to own the motorcycles they ride, compared to previously when most of them were either employed by bike owners or were renting or leasing the motorcycles.
- **Societal Health and Well-being:** The company's focus on financial inclusion goes beyond economic benefits. By enabling access to essential assets, Asaak supports societal health and well-being. For instance, motorcycle loans can lead to improved transportation services, which in turn can enhance access to healthcare and education. Additionally, smartphone loans can bridge the digital divide, allowing more people to access information and services contributing to their well-being.
- **Education and Financial Literacy:** Asaak's role in educating borrowers about financial management is crucial. By improving financial literacy, the company empowers individuals to make informed decisions about their finances, leading to better financial health and stability. This education can have a ripple effect, as financially literate individuals are more likely to invest in their communities and contribute to societal well-being.

## Potential Funding & Partnership Opportunities

With Asaak having successfully raised US\$ 30 million, the latest of which came in a pre-Series A equity and debt funding round, and currently on the road to raising a Series A round, potential funding and partnership opportunities could further support their growth:

- **Venture Capital and Private Equity:** Additional funding could aid in further technological advancement, greater market expansion into new geographies or industry verticals, and scaling Asaak's operations.
- **Strategic Partnerships:** Asaak can explore partnerships with more financial institutions for access to new markets and customers, integrate its platform with banking systems, collaborate with technology companies to enhance platform capabilities, and form business development partnerships with related industries to increase market presence and reach new audiences.
- **Strategic Acquisitions:** Strategic acquisitions can cement Asaak as a transformative force in mobility worker financing. Strategic acquisitions such as that of FlexClub Mexico presents an incredible opportunity for Asaak to accelerate its growth and expand its product offerings, all while serving more customers with its broader credit proposition, and pioneering their innovative model.

Overall, Asaak has a strong foundation to pursue additional funding and partnership opportunities, further solidifying its position as a leading provider of asset financing.

## Potential Roadblocks & Risks

Asaak, like any forward-thinking company, faces a set of challenges and risks. Here are some potential ones along with strategies to mitigate them:

- **Market Saturation and Competition:** As the demand for asset financing grows, the market may become saturated, and competition could intensify.
  - Mitigation: Asaak can continue to innovate and differentiate its services, focusing on customer experience and expanding into untapped markets.
- **Regulatory Changes:** Changes in financial regulations could impact Asaak's operations.
  - Mitigation: Maintaining a proactive approach to regulatory compliance and engaging with policymakers can help anticipate and adapt to changes.
- **Technological Disruptions:** Rapid technological advancements could render current systems obsolete.
  - Mitigation: Investing in research and development and staying abreast of technological trends will ensure Asaak remains competitive.
- **Credit Risk:** There is always a risk of default on loans, which could affect the company's financial health.
  - Mitigation: Implementing robust credit scoring systems and diversifying the loan portfolio can minimize this risk.

## Conclusion

Asaak's potential within the asset financing industry is substantial, positioning it as a pivotal player in the financial services sector, especially in emerging markets. Its innovative asset financing model not only empowers individual entrepreneurs but also stimulates broader economic development. Their commitment to innovation and customer-centric solutions continues to drive economic empowerment in Uganda.

The potential for scalability and growth is clear in its mission to unlock economic potential for marginalized business owners, suggesting a trajectory of continued evolution and expansion. Asaak's influence extends to the larger trend of financial inclusion, where fintech companies are crucial in providing access to financial services for underserved populations. Its success could set a precedent for similar models globally, potentially transforming the asset financing landscape and serving as a catalyst for economic growth and inclusion.

# Innovation In View

How Asaak brings innovation to life



## Digital Loan Origination System

Product offerings:

- **Boda boda loans** - Boda boda operators can pay an initial deposit and sign-up for a flexible payment plan and own a boda boda in 12, 24 or 30 months.
- **Smartphone loans** - Asaak offers loans for the purchase of phone models fit for one's budget.
- **Fuel loans** - Users can buy fuel on loan with an Asaak Fuel Card. Cards work at any petrol station, allowing one to keep moving when it matters most
- **Car loans** (available only in Mexico for now) - Potential car owners can pay an initial deposit and sign-up for a flexible payment plan and own a car in 12, 24 or 30 months.



## Access to Savings & Insurance

Asaak's first product is credit, strategically starting with the idea that they can meet a person's immediate need for capital today and help them save and invest tomorrow.

Additionally, users get access to affordable motorcycle insurance covers through Asaak's financial service partnerships.



# Contributors

## The FutureList

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Fintech Innovation Scout

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**Eric Kamande**

Research Specialist

## Asaak

**Dylan Terrill**

Founding Team and CBO

# The FutureList



## Notes on our methodology

### About The FutureList

The FutureList is dedicated to identifying and linking innovative technology companies with the investors, talent and strategic growth partners they need to rapidly scale their innovation. The FutureList leverages its network of local Innovation Scouts, a comprehensive online platform, and curated events to rapidly spot and match opportunities. The FutureList network has already profiled over 6,000 innovative companies, investors and partners globally.

We scout across a broad range of sectors in tech, aiming to identify the most innovative startups globally. This includes everything from AI to biotech, renewable energy, and more. The 10 categories we currently focus on are: Agriculture (farming, food, beverages, crops, forestry, aquaculture, livestock, irrigation, veterinary, etc.), Climate (electricity, energy, environment, renewables, recycling, circular economy, carbon credits, cleantech, etc.), Education (e-learning, school management, assessments, upskilling, tutors, languages, etc.), Enterprise (legal services, AI, cyber security, market research, recruitment, HR, customer success, consulting, SaaS tools, business analytics, etc.), Finance (banking, capital, trading, lending, personal finance, insurance, crypto, real estate, etc.), Health (medicine, biotech, medical equipment, pharmaceuticals, public health, digital health, hospitals, health records, wellness, fitness, beauty, etc.), Infrastructure (architecture, materials, computer networks, safety, law enforcement, construction, data centers, machinery, telecom, wireless internet, manufacturing, etc.), Media (marketing, influencers, animation, arts, gaming, fashion, content, platforms, music, publishing, translation, editing, etc.), Mobility (delivery, transportation, etc.), and Supply Chain (e-commerce, warehousing, logistics, retail, etc.)

### About Our Innovation Scouts

Our Innovation Scouts are experienced professionals from diverse sectors with a keen eye for groundbreaking technologies and business models. They undergo rigorous training to ensure they provide maximum value to the startups they work with. They conduct their research on a volunteer basis. We have strict ethical guidelines in place. Any Scout with a potential conflict of interest is recused from the process to ensure fairness and objectivity.

### About Our Innovation Memos

Innovation Memos provide a comprehensive profile of an innovator, whether its a startup, hub, investor or more established corporate, highlighting technological and business model innovations. The Memo is written in direct consultation with a verified representative from that entity, and also outlines suggestions around how to rapidly scale their innovation further through use of The FutureList's network. Once published, the Memo accessible to our network of investors, partners, and the general public for free on our platform. The Memo process is completely free for the companies featured as well. The entire process, from initial contact to publishing the Innovation Memo, typically takes about 4-6 weeks, but this can vary based on the startup's availability and responsiveness. Our goal is to promote and scale innovation globally. The FutureList platform and events are sponsored by partners.



# Scaling Innovation

How **The FutureList** identifies and scales innovation globally



## Ecosystem and sector mapping

Our Innovation Scouts identify the most innovative early-stage and growth-stage tech companies across key sectors in tech hubs around the globe.



## Innovation memos and platform profiles

Our Innovation Scouts interview founders and tech executives to publish innovation memos and create a comprehensive company profile on our public online platform.



## Introductions to strategic opportunities

Our Innovation Scouts share company profiles with relevant investors and strategic growth partners across our global ecosystem, and facilitate warm introductions where requested.



## Private dinners and fireside chats

Our exclusive evening events bring together founders, tech executives and other special guests for networking and interactive discussions around technology and innovation.



## Global summits & learning trips

Featured companies will be invited to larger annual events held at the regional and global stage that connect the most innovative companies with opportunities for further visibility.

# Sponsor

The FutureList platform and events are sponsored by partners.



**Sand Technologies**, a global technology services company with presence across Silicon Valley, France, the UK, Romania, and several emerging markets, is at the forefront of supporting scale-ups worldwide in overcoming the challenges of rapid growth. We're currently aiding businesses in the United States, New Zealand, Denmark, the Netherlands, the UK, the UAE, South Africa, Kenya, and numerous other locations in developing scalable technology products, constructing world-class tech teams, enhancing revenue generation, and elevating customer satisfaction.

Learn more at [www.sandtech.com](http://www.sandtech.com)

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