



dab equity

INVESTING FOR IMPACT

The Senty impact story



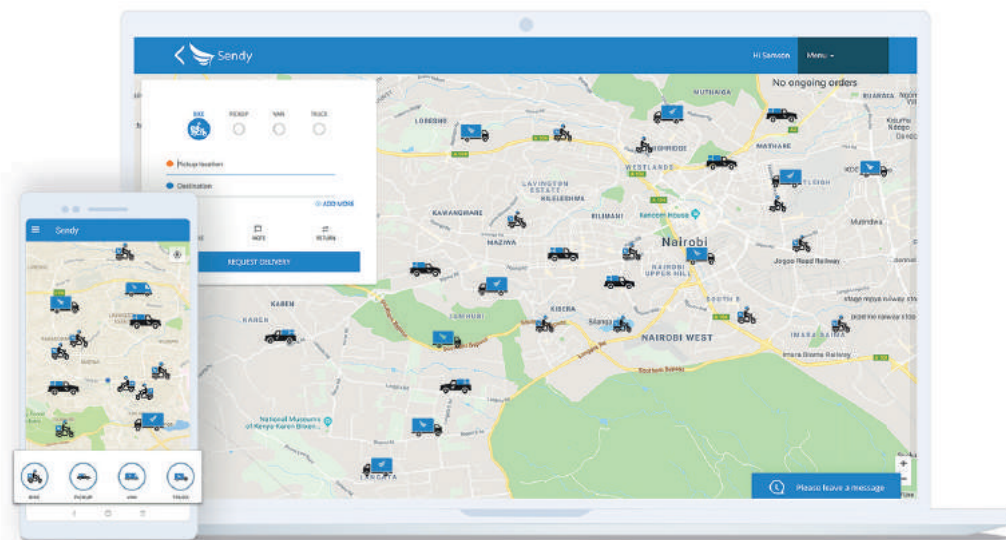
About Sendy

The Power of Partnership

Kenya-based Sendy is an on-demand delivery services platform whose mission is to connect businesses with local drivers across Africa. The company links customers with drivers to help deliver goods simply and transparently using a cutting edge, user-focused technology platform. Customers – from small businesses to large corporates – place orders through the Sendy platform, and Sendy dispatches these orders in real time to available Sendy Drivers. Push a button, and the driver will arrive in under an hour. The model is similar to ride-hailing companies like Uber – but focused on goods delivery rather than passengers.

“We believe delivery can move people, and even whole communities, forward. Why? Because delivery unlocks potential, powers growth, and opens up a world of new possibilities.”

Malaika Judd, Co-founder



How it works

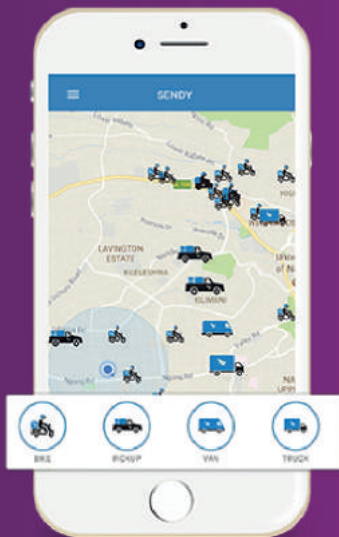
On the one hand, Senty's on-demand platform empowers driver partners to boost earnings from their vehicle, reducing idle time by connecting them to a larger number of delivery opportunities, while providing access to carrier liability and accident insurance. On the other hand, it empowers businesses by allowing them to outsource their logistics to a high quality and affordable service that is vastly more efficient than ad hoc in-house logistics management, in which time and money are wasted through mismatches in vehicle size and availability.

For companies, what matters is convenience (ease of instructing deliveries), peace of mind, efficiency (the speed of drivers) and cost. As Senty manages all deliveries for each client on a single platform, allowing the company to see spending, access reporting tools, save on costs, and choose between bike, van or truck, the Senty model addresses all four concerns. Each Senty delivery is also backed by an insurance policy from the moment goods are handed over.

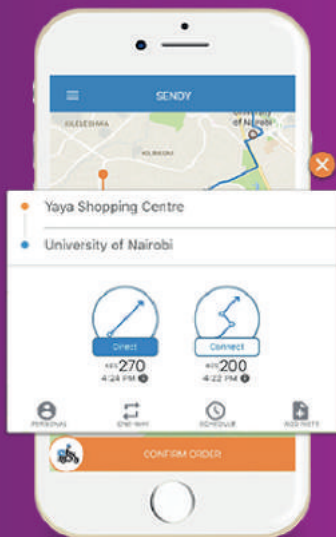
As Malaika Judd, COO and Co-founder, explains:

“For most companies, building an in-house fleet to deliver goods is capital intensive, time-consuming and wasteful. They will have either too many or too few vehicles on standby, and limited means to track journeys and calculate fair prices. By contrast, Senty offers an easier to use service, at a lower cost, with increased transparency on the orders and driver.”

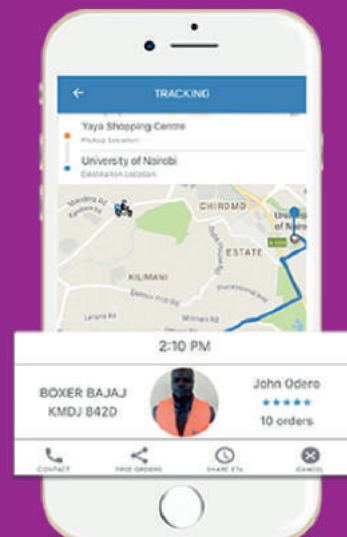
Pick a vehicle



Book a delivery



Track your driver



The Senty model strikes at the heart of the logistics market inefficiency by removing friction costs from matching customers with providers, while in parallel improving the service offering through training. Every driver is vetted and trained, and the platform – which uses automated order tracking – offers customers a wide choice of vehicle types and sizes, ranging from motorcycles to 28-ton trucks. As Judd puts it, “delivery has always been a headache, but we make it simple. Everything we do is designed to make life as easy as possible.”

A Trusted Partner to Growing Companies

Judd provides a 'deep dive' into the myriad ways that Sendy adds value:

"Uber's technology has led to a decrease in taxi costs, but the difference with Sendy is that we create efficiencies for entire businesses by remodelling the way they move their products. Many Kenyan FMCG firms, for example, previously had no reliable logistics partner, so they depended on an expensive in-house fleet and – when that wasn't enough – on informal partners who would show up in the morning in the hope of getting an order. Managing these trucking partners required entire departments to figure out where the trucks should go, and how much petty cash to pay them. There was no trust, no security. Chaos."

"Sendy takes away that stress for the business, providing transparency through fixed, fair and pre-negotiated rates, and by putting a layer of tracking, insurance, driver management, payment processing, and customer care into each journey. Also, no more idle fleets and less empty space in trucks. We're taking the assets that exist and optimising them. Firms now pay only for the marginal cost of what they use."

"Beyond that, we can help companies make use of our data on their deliveries, optimising load times, turn-around times, and journey times. Sendy tracks everything so we see where the inefficiencies are, and we work as a trusted partner with the client to fix them. So, what we're doing is empowering businesses to make smarter decisions, deliver a great customer experience, lower costs and grow faster."

"Long term, with our unique database of deliveries, we're also eager to help solve issues at the country level, for example by triangulating data to make a national postal system function effectively."



John
Pickup Driver

"Sendy is good with communication, and they are good people. They keep me very busy!"



Miriam
Van Owner

"I'm doing very well with Sendy! I used to earn Ksh 50,000 and today my earnings through Sendy are Ksh 100,000, which has allowed me to support my family's secondary and university education."



Charles
Motorcycle Driver & Owner

"I earn Ksh 30,000 more with Sendy. I've saved enough to buy another bike and because of Sendy I'm finally free from my debts!"

DOB Equity's Investment

DOB Equity's 2018 investment in Sendy was made alongside CFAO, a member of the Toyota Group. It will be used to broaden the company's service offering, add more vehicles to the platform, expand the sales and technology team, and prepare for expansion across East Africa. For DOB, the investment proposition centred on Sendy's compelling blend of people and technology skills. "When we looked at Sendy, we really liked the balance in the leadership team", DOB Equity Portfolio Manager Hayo Afman says. "You have a dynamic, extrovert COO in

Malaika and a hugely talented and widely respected Kenyan software developer in CEO Meshack Alloys." Born in Kenya, Alloys honed his skills as a software engineer by working many side jobs during university, afterwards founding a software development company, MTL Systems, focused on tech solutions for the logistics sector. The ingredients for success – a knack for relationship-building, and world class product and tech development – lie in this leadership mix, backed up by a highly motivated all-Kenyan team that knows the local market.

Impact Objectives

The current logistics sector in Kenya – worth some \$10 billion – is fragmented, informal and inefficient. Across East Africa today, freight logistics costs are 50% higher per kilometre than in the US or Europe, and logistics costs account for a staggering 40%+ of consumer prices. Food prices, household goods and health care services are therefore heavily inflated, negatively impacting the standard of living for 170 million people in the region. As the flagship 2017 International Growth Centre report, 'Making transport work for African trade', highlighted, "the cost of moving goods domestically in Africa remains high [...] low-tech transport is a key factor affecting trade costs." The report demonstrates that high costs of trade within a country mean that remote locations "benefit less from trade liberalisation and the lower prices and market opportunities it brings." Reducing trade costs, the report concludes, could "spread the gains from globalisation to remote areas and help tackle regional inequality."

In this context, access to Sendy's affordable, high-quality distribution services can be a game-changer, enabling companies in every sector of Kenya's economy to accelerate their growth and create jobs with the confidence that a key challenge – high transport costs – can be overcome. In this way, the company supports the development of a well-functioning logistics sector, which is essential to providing market access and driving economic development and social welfare.

For Judd, "delivery can move people, and even whole communities, forward. Why? Because delivery unlocks potential, powers growth, and opens up a world of new possibilities." And as Brigit van Dijk – van de Reijt, CEO of DOB Equity, says: "a well-functioning logistics sector is key to economic development and competitiveness. You need to make the logistics mark-up less of a barrier. However, it is often overlooked when analysing and discussing the impact of investments."

Put simply, investments in key sectors like agriculture or manufacturing are not sustainable if there is no efficient supply chain to get products out to the market. "The positive impact of an efficient, formalised logistics sector is largely invisible, but it's the key enabler", van Dijk – van de Reijt observes. As such, DOB Equity is increasingly interested in investing in companies that look to solve inefficiencies throughout the supply chain.

"Sendy is formalising the logistics sector, creating higher quality jobs, with better-equipped drivers working more productive hours for higher earnings."

Sendy is also creating better quality jobs, with better-equipped drivers working more productive hours for higher earnings. Interviews with riders and drivers all confirm a higher quality of life, with more flexibility and independence, working for Sendy.



Outlook

Sendy is one of the most advanced new entrants into the technology-enabled logistics sector in Africa, giving the company a first-mover advantage to build market share. The company's software is robust and fits well with the market context. For example, by building an address database to solve the lack of mapping, and by integrating M-PESA into the payment options, Sendy is creating a platform that goes with the grain of Kenya's dynamic, emerging economy.

Hayo Afman sees a robust growth trajectory for the company. "Sendy targets a \$2bn market in East Africa. Rising consumer demand and increased connectivity, coupled with the rise of e-commerce and demand for more instant deliveries, will boost demand on Sendy's platform," he says.

"Sendy's on-demand logistics services platform fits the market context and goes with the grain of Kenya's dynamic, emerging economy."

Meshack Alloys echoes this ambition: "when we started Sendy in 2014 we saw the opportunity to fill a gap in the logistic services sector in Nairobi. Ever since, we have been able to provide affordable and high-quality services through our driver partners, and to expand our client base across sectors and leading corporates. We're rolling out countrywide in Kenya, and looking to expand in East Africa. With the support of DOB Equity, we look forward to sustaining our high growth and outstanding services to our current and new clients over the coming years."





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