



Sabi's goal is to platform Africa's informal sector | Photo source Sabi

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A B2B RETAIL PLATFORM SERVES THE INFORMAL TRADE SECTOR

 RETAIL

The platform targets small and medium-sized businesses that would previously have operated completely offline

Spotted: The informal economy refers to economic activities that don't follow formal processes. And, in Africa these activities are big business. The Food and Agriculture Organisation of the United Nations estimates that informal trade provides up to 70 per cent of employment in sub-Saharan Africa, providing access to domestic goods and services that are not available through the formal economy.

Until very recently, the informal sector in countries like Nigeria operated almost entirely offline. Now, Nigerian startup Sabi, is attempting to change this through its B2B retail platform.

The Sabi platform is sensitive to the particular needs of the informal sector. For example, a defining characteristic of informal transactions is the role played by highly specialised middlemen, mainly distributors. Unlike other tech disruptors, Sabi doesn't seek to by-pass such intermediaries. Instead, the company recognises the value specialised middlemen provide in areas such as sales and customer service.

The Sabi platform aims to work with middlemen, providing all stakeholders to a transaction with the tools and infrastructure to run their businesses more efficiently. In exchange Sabi charges a small transaction fee. The tools provided include inventory management, sales, tracking, digital invoices, and analytics.

Sabi reaches people through the channels that suit them best – another way in which it is sensitive to the needs of informal operators. The platform provides stakeholders with both online and offline channels, including call centres, offline agents, merchant partners, supplier centres, and a mobile app.

“We focus our processes, policies and monitoring around understanding the different types of users and monitoring how the third parties we work with are serving them,” [explains](#) Anu Adasolum, Sabi’s CEO.

The company has made rapid inroads in Nigeria and has recently secured funding to expand elsewhere. One of Sabi’s key strengths is that it uses technology to leverage the skills and knowledge of people on the ground. Another innovation that recognises this opportunity is BuddiBox – a startup that helps young people utilise their local knowledge and relationships to [set-up local delivery services](#).

Written by: Matthew Hempstead

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Email: info@sabi.am

Website: sabi.am

Takeaway:

Governments often disapprove of informal trade as it raises difficulties in terms of taxation and regulation. But many informal practices are deeply embedded locally. The Sabi platform focuses on going with the grain of the informal economy, reaching people as they like to be reached. Many tech companies prefer to dictate the best way to do things, so this approach provides a marked contrast. As Adasolum [says](#), “I’m not going to go to a business that is used to working a particular way and change it but instead offer several other channels that they’re more comfortable with through our platform.”