



Middle East & Africa | Kenya | Financial services

Kenyan fintech entrepreneurs use the cloud to create financial access.



First Choice
GLOBAL

‘African start-ups cannot easily attract the attention of a global technology group, but Dimension Data was very welcoming. It also **gave us an additional edge as the only cloud provider able to assure our American financial services partners of data sovereignty.**’

Alan Osoro, First Choice Global
Managing Director



Challenge

- Break new ground in financial services
- Provide a world class money remittance service to Africans working in the diaspora who want to send money home
- Become a global leader in money transfer options for emerging markets
- Create a money transfer ecosystem on which to deliver turnkey solutions for international financial services institutions interfacing with emerging economies

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Solution

- Exploit Dimension Data's global cloud platform and services to start operating in seven days, with no capital outlay
- Link the cloud platform to a local mobile wallet platform
- Exploit the cloud platform to scale seamlessly across the world on a pay for use basis

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Result

- Reshaping of financial services landscape in Africa
- Increasing foreign exchange flows into Africa

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Challenge

Kenyan start-up, First Choice Global (FCG), has broken new ground in the financial services industry by providing an instant, free, money remittance service to Africans working internationally.

For most of FCG's customers, conventional banking facilities or money transfer systems are prohibitively expensive. The transfer process takes days. And, frequently, recipients of the transfers either have no bank account or must spend already limited resources getting to a bank to access their cash.

FCG has resolved these issues by creating an app, SAWAPay, that can be linked to a credit card or bank account in the United States. The person wanting to transfer money simply enters the recipient's phone number and an amount and presses send. The money is received in Kenya in seconds.

On the Kenyan end, FCG's solution uses a mobile phone-based money transfer, financing, and microfinancing service. It allows users to deposit money into an account stored on their phones, to send money, using PIN-secured SMS text messages, to other users - including sellers of goods and services, and to redeem deposits for cash. It uses a network of agents that include airtime resellers and retail outlets acting as banking agents.

FCG's SAWAPay solution therefore makes it possible for people in remote, rural areas without access to formal financial services and the unbanked in urban environments to receive cash directly from relatives in the diaspora. The service is free to customers.

FCG's challenge, however, was finding a cloud provider willing to support an unknown product created by a start-up and serving an untested market. The company also needed a cloud provider trusted by the global financial services industry, that had a local presence in Kenya, and, specifically, could guarantee data sovereignty in America where FCG had developed partnerships with currency exchange firms.

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Solution

'Our objective is to become a global leader in the provision of money transfer solutions to the largely neglected emerging markets by creating a world class money remittance platform,' FCG Managing Director, Alan Osoro, says. To achieve this, we need seamless integration with financial services partners across the globe and, therefore, a cloud provider who can provide a scalable, secure, and cost effective solution that ensures delivery of our service in the shortest possible time.

'Dimension Data is the only cloud provider that meets all these criteria as well as being able to pinpoint exactly where our partners' data will reside. So, it gives our partners the confidence to work with us. At the same time, Dimension Data is the only global cloud provider with a presence on the ground in Kenya. They understand African circumstances and solutions, such as M-Pesa. We can discuss our growth strategy with them face-to-face over a table. And, with their reach and credibility they can accelerate our expansion into different countries.'

'We're not the world's largest cloud provider, but we have the largest footprint, in terms of having data centres in most regions around the world,' says Dimension Data Business Development Manager for Kenya, Eric Mwirigi. 'So, without having to adjust our fully automated and orchestrated platform and support services in any way, we were able to get FCG up and running in only three days and will be able to mature and scale their offering effortlessly.'

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Result

After its first eight months of operation, FCG has more than 10 000 users in its United States / Kenya corridor. It is on track to open additional remittance routes between America and other African countries as well as linking Africans working in Europe and Australasia with their home countries.

Increasingly, FCG's clients are making fuller use of SAWAPay's payment services to pay directly from the United States their families' utilities, mortgages, and other accounts. This is creating rapid growth for FCG.

FCG is positioned to create a money remittance ecosystem that can serve as a platform for financial institutions that want to remit money from outside Africa to sub-Saharan Africa. FCG can provide to such organisations effective, low cost, turnkey solutions that can be implemented quickly and integrated with a range of other financial systems.

'By using the cloud in innovative ways, FCG is reshaping the financial services landscape in Africa, increasing foreign exchange flows into the continent and, thereby, building economies and improving the quality of life for ordinary people,' Eric Mwirigi says.

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