

Case Study

ZIKALALA FINANCIAL SOLUTIONS



INTRODUCTION & OBJECTIVES

Zikalala finance solutions is a microfinance & lending business. The goal of Tsietsi Zikalala's company is to expand financial inclusion in Tembisa by bringing credit and lending to areas that might not otherwise experience it. He founded Zikalala Financial Solutions in 2019 with the goal of expanding credit availability and township credit scores. By doing this, he provided a path to those who might not otherwise have access to credit and enabled them to establish a credit history that would be beneficial to them in the future.



BACKGROUND

2019 saw the launch of Tsietsi Zikalala's loan business alongside his ongoing full-time employment. He started his research after learning he would need a system to disperse and collect loans. He was familiar with Altron FinTech because he had previously worked for the Altron group and reached out to them to learn more about the solutions he would need to reinforce the legitimacy of his business and establish himself as a registered lender. He acknowledges that he was not conscious of every requirement, including the need to register with the National Credit Regulator and acquire a business license. Fortunately, the sales consultant who assisted him saw to it that each of these requirements was satisfied before he could officially launch his business.

THE CHALLENGES

The challenges that faced Zikalala Finance solutions were ensuring the credibility of their business, where operating within a township, customers are often confronted with loan sharks who do not operate within the relevant credit laws and requirements for providing loans.

They needed to ensure that the loans given and paid back were done correctly and through the right legal channels so as to protect both the lender and the customers in the future. Another challenge was when Tsietsi started Zikalala Finance, he was still working full time, so he needed solutions that would enable him to perform his business functions remotely and easily.

NUCOVER

THE SOLUTION

Zikalala Finance Solutions started with the AEDO solution, but quickly added MPS and NuCover to their line-up. When they signed up with Altron FinTech, DebiCheck had just made its debut. The addition of the NuCover funeral and lifestyle cover as a service has greatly increased their clientele. In order to provide and collect loans that are secure, authenticated in real-time by the end-user, and increase collection rates, they found the DebiCheck solution to be useful.

NuCover is a new product solution that was developed in response to customer requests for a product that would provide end users with lifestyle and funeral insurance as well as a guarantee for any loans they had taken out with the aforementioned Altron FinTech customer, Zikalala Financial Services would be paid back in event of their death.

RESULTS

Zikalala Finance was able to work with Altron FinTech to establish his business with the NCR and ensure its legitimacy. Because they are aware that all transactions are carried out within the parameters of the relevant laws, his customers can start building good credit scores. They have gained from having a solid reputation as microlenders.

They now attract customers who in the past would have looked to less reputable lenders, and they can even assist customers who have been rejected by bigger financial institutions. Tsietsi was able to easily complete loan applications using the internet with Delter's solutions and the DebiCheck payment solution to authenticate debit order payments for his customers, ensuring that his company is active and that customers are aware that their money will be received in a secure and safe way.



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