

SmartWage bags R6m to expand its payday solution

SmartWage, a South African startup that partners with companies to give employees instant access to their earned salaries and wages, recently raised R6m to power the growth and expansion of its novel payday solution across South Africa. Co-founded by Simon Ellis, Alex Platt and Nick Platt in 2019, SmartWage launched operations in February 2020.



Simon Ellis, co-founder of SmartWage

The fundraise was led by Chris Lister-James from Johannesburg-based seed investor, FiTech Ventures, whose investment philosophy, “driven by a focus on ethical disruption, financial inclusion, doing well by doing good and profit with a purpose,” fits naturally with SmartWage’s vision to tackle South Africa’s enormous and crippling consumer debt crisis.

Lister-James explains, “SmartWage has an ambitious, driven team focused on making a big difference in South Africa and we’re really excited to be joining them on this journey.” The investment, agreed earlier this week, comes in the form of a SAFE.

The company joins trailblazing South African fintech startups like Franc, uKheshe and Payflex in the FiTech portfolio and, according to Ellis, is, “hugely excited by the opportunity to operate in this community of like-minded entrepreneurs and leverage the wealth of knowledge and experience this partnership brings.”

Having been fully self-funded up to this point, this marks the first time that SmartWage has raised from external investors. The money from this round will be primarily invested in the development and deployment of the company's technology offering (including their unique financial literacy education solution), supporting key hires and driving rapid customer acquisition efforts as they seek to scale their offering across South Africa on the back of exciting progress during the first half of 2020.



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Evan-Lee Courie 13 May 2020



During the lockdown period, SmartWage has been uniquely positioned to assist businesses and employees. Their solution helps employers protect their company's cash flow and reduces administrative hassle while also taking care of their employees, through a financial lifeline that prevents employees from having to resort to risky alternatives for dealing with urgent costs, or simply to make ends meet during an increasingly difficult period. Lister-James further commented that, "SmartWage's relentless focus on solving their customers' pain points sets them apart from others in the space."

To bolster these efforts, SmartWage partnered with Yoco's Support Small campaign in early May and have offered their solution to users for free from March through June as a gesture of support. These initiatives and an encouraging uptake of the service have created significant momentum that the company now seeks to amplify with the fresh funding.

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