

Complete Sample POS Business Plan in Nigeria (+ PDF)

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The point of sale (POS) industry in Nigeria is rapidly expanding as cashless payments gain widespread acceptance. This creates lucrative opportunities for entrepreneurs to launch POS businesses by providing digital payment services to businesses and consumers. Developing a solid business plan is crucial for successfully starting and running a POS venture in Nigeria. This article will provide a complete sample business plan for a POS startup in Nigeria.

Executive Summary

POS Niger is a startup that provides point of sale (POS) services to small businesses in Lagos, Nigeria. As digital payments usage surges across Nigeria, POS Niger fills a growing need for secure, reliable POS solutions tailored to small businesses. Our offerings include:

- POS terminal sales and rentals
- Integration with local and international payment gateways
- Staff training on using POS devices and software
- Maintenance support and technical assistance

POS Niger aims to deploy 500 POS terminals in our first year focused on Lagos Island and Ikeja business districts. Our pricing model involves a one-time integration fee and recurring monthly subscriptions for maintenance support.

The startup requires N12 million for inventory, shop rental, staffing, and working capital. Funding will come from the founders' capital injection and angel investors. Additional funding will be sourced through POS device vendor partnerships and bank loans.

The promoters are Donald Duke and Sheila Adams who have over 10 years combined experience in payments processing and retail software consulting for top Nigerian banks. Their expertise will be leveraged to build POS Niger into the leading local provider of POS solutions for Lagos small businesses.

The POS terminal market in Nigeria is projected to keep growing over 50% yearly. Our target clients of small shops, cafes, boutiques represent over 90% of Nigerian businesses. With increasing POS adoption, there is minimal competition tailored to SMEs. POS Niger will capture significant market share through our competitive pricing, localized support and strategic distribution partnerships.

Products and Services

POS Niger offers the following products and services:

POS Terminal Sales and Rentals

- We will sell or rent out POS terminals from top brands like Innovault, Paystack, Global Payments etc.

- Both fixed (countertop) and wireless POS systems will be retailed.
- Customers can purchase outright or rent via monthly payments.
- For rentals, we handle repairs and replacements.

Payment Gateway Integration

- We will integrate the POS systems with prominent payment gateways in Nigeria like Flutterwave, Paystack, Wema, OPay etc.
- This allows receiving payments via cards, mobile money, bank transfers etc.
- We will charge a one-time integration fee per POS device activated.

Staff Training

- Our staff will train client employees on properly operating the POS software, devices and transactions reporting.
- Standard operating procedures will be provided for reference.
- Additional offsite group training sessions will also be conducted.

Maintenance Support

- We will provide 24/7 phone and email support for any POS terminal issues faced.

- Qualified technicians will address malfunctions through remote troubleshooting or onsite visits.
- Software patches and upgrades will be implemented remotely.

Business Advisory

- Our team offers POS business advice on matters like best practices, fraud prevention, dispute resolution etc.
- We will help clients maximize the benefits of deploying POS solutions.

Market Analysis

Nigeria's POS industry generated around N3 trillion in payments volume in 2019 per the Nigeria Interbank Settlement System (NIBSS) data. Transactions have been growing at a 50% CAGR over the last decade, indicating massive expansion of cashless payments.

The global POS terminals market is also projected to reach \$154 billion by 2026 according to Verified Market Research. Hence, the rapid growth offers huge opportunities for POS terminal deployment and associated services in Nigeria.

While large retailers dominate in urban centers, smaller informal businesses represent over 90% of Nigerian enterprises. Over 60 million MSMEs form the bulk of the economy. This segment is the primary target market for POS Niger.

Target Customers

- Small shops, boutiques, salons, bars, restaurants, cafes
- Startups and small businesses across industries
- SMEs in business districts within Lagos State
- Vendors, artisans, local stores with potential for POS adoption

Competitor Analysis

Major competitors include:

- **Banks** - Offer POS services but mainly target corporate clients rather than SMEs.
- **Global terminal vendors** - Players like Ingenico have large market share but lack localized support.
- **Payment gateways** - Offer basic POS package without after-sales support.

Our differentiated focus on SMEs, integrated offerings and value-added services provide competitive advantage over current players.

Pricing

Our POS solutions will be affordably priced for the target mass market segment through:

- Low one-time integration fee of N25,000
- Competitive monthly rentals from N15,000 based on device type
- Flexible purchase prices starting from N68,000 for basic terminals
- Volume pricing discounts for bulk orders

Distribution Channels

To ensure widespread distribution we will leverage:

- Direct sales to walk-in customers at our outlet
- Business development executives for outbound sales
- Strategic partnerships with device vendors for joint sales
- Online marketing and social media promotions
- Referrals from business associations and SME networks

Marketing Plan

Our core marketing strategy focuses on cost-effective tactics to generate awareness and Trials among target SMEs within Lagos.

Promotions Mix

- Door-to-door: Sales agents will conduct in-person demos and leave brochures at SMEs within target localities.
- Email marketing: Regular email campaigns to engaged SME databases with promotions.
- Social media: We will run Facebook and Instagram ads focused on Lagos small businesses.
- Sales literature: Print flyers, brochures and catalogues will be distributed via chambers of commerce, associations etc.
- Business directories: Listings on SME hubs like Nigeria Yellow Pages will be secured.
- Referral incentives: Promotions to encourage customer referrals and reviews.
- Online content: SEO-optimized blogs/articles on payments issues SMEs face.

Branding

To build a professional brand image:

- A recognizable company logo reflecting our POS services will be created.
- Staff will have customized branded t-shirts, caps and name tags.
- Well-designed office branding will be erected including light boxes.
- Promotional items like calendars and diaries will be gifted to customers.

Partnerships

We will actively network with:

- Industry associations to jointly promote our solutions to their SME members.
- Coworking spaces, incubators and SME hubs to engage their startup/small business communities.
- Relevant events like payments forums and retail tech conferences to create visibility.

Our lean marketing strategy centers on cost-efficiency to maximize ROI from each initiative. The focus is on personalized outreach and leveraging partnerships to boost visibility among the target SME segment.

Operations Plan

Location

Our POS outlet and office will be located along a commercial street in Ikeja GRA due to the area's mix of small businesses, accessibility for customers, and availability of support services.

Inventory

- We will maintain an average monthly stock of 50 POS terminals plus receipt papers and other consumables.
- Devices will be sourced directly from top brands to get wholesale pricing and warranties.
- Inventory will be monitored using spreadsheets with automated reorder levels set.

Staffing

- Sales Manager: Experienced retail sales professional to lead business development
- Customer Support Reps: Two reps with tech troubleshooting skills to offer assistance
- POS Technicians: For onsite installation, maintenance and repairs.
- Accountant: For managing daily accounts, payroll, taxes and compliance.

External services firms will be engaged as needed for legal, IT, security etc.

Processes

Our core business processes will include:

- Customer onboarding from KYC to integration and deployment

- POS terminal procurement, configuration, installation and activation
- Payment verification, reconciliations and settlement
- Issue logging and resolution based on SLAs
- Software updates, backups and data security protocols
- Inventory tracking and order management
- Sales reporting, invoicing and collections

Technology

- POS software, CRM system and accounting software will be deployed on the cloud.
- Inventory management using spreadsheet applications
- Email marketing and analytics tools will be utilized
- Security cameras and remote data backups will be implemented

Key Takeaways

Here are key takeaways from this sample business plan for a POS startup in Nigeria:

- Offer a mix of products including POS hardware sales, rentals, integration, training and support services.
- Target small businesses in high commercial locations as your core customer segment.

- Use a lean marketing mix focused on direct outreach, partnerships and digital promotion.
- Secure a visible location in a secure commercial area optimal for customer traffic.
- Build processes for customer acquisition, deployment, issue resolution, inventory management etc.
- Assemble a skilled team covering sales, technical support and back-end functions.
- Implement the right mix of software, hardware and tools to enable operations.
- Continuously enhance offerings based on customer feedback for sustainable growth.

Source: freelancian.ng