

Solar startup ARED empowers Rwandans with 'business in a box'

 By Tom Jackson

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Rwandan hardware-as-a-service company ARED is empowering local people with a 'business in a box' solar kiosk platform that enables them to start their own businesses by charging phones and selling virtual top-ups.



Launched in January 2013, [ARED](#) is focused primarily on women and disabled individuals, offering a franchise business model that allows these newly-created entrepreneurs to use solar-powered kiosks to charge mobile phones, sell virtual top-ups and offer Wi-Fi services.

ARED shares revenues with the micro-franchisee, with the startup – supported by the likes of Microsoft and the German government – in the process of launching its latest solar kiosk platform.

“The largest gap we have seen is the lack of micro business solutions to curb the unemployment issues that exist on the continent. The franchise model is perfect for the African market because it offers a turnkey solution to anyone to start generating revenue and be in business, for themselves but not by themselves,” chief executive officer Henri Nyakarundi told Disrupt Africa.

The company currently has 25 solar kiosks on the ground in Rwanda, each serving around 30 customers per day. ARED micro-franchisees served approximately 40,000 unique customers in 2016.

“The majority of our customers use the kiosk to charge phones. The average revenue for our micro franchisee is around US\$100 net per month. We charge the most phones in refugee camps and in high traffic areas,” Nyakarundi said.

ARED is thinking big, however. Nyakarundi estimates it could have as many as 100,000 kiosks in 20 countries with the right support. For this, the startup is in the process of raising an equity round, having been primarily funded by grant money thus far.

It is already thinking about moving further afield. ARED will start piloting in Uganda in March and is hoping to launch another pilot in Nigeria in the fourth quarter of 2017.

Nyakarundi is also planning to expand the service offering of the solar kiosks.

“A lot of the services will be around digital content, such as educational content and health content, through the different partnership we are developing,” he said. “We also plan to develop partnerships with data mining companies with a focus on the African continent. The goal is to better monetise our platform.”

Thus far, this has been down by taking a commission on sales of virtual top-ups – things such as airtime and prepaid electricity. It is also selling advertising on the kiosks.

“On the new kiosks we shifted to digital advertising, which will increase our revenue. This is the reason why we added Wi-Fi access to the kiosk platform,” Nyakarundi said. “The sale of internet access on the kiosks will also increase our revenue. Our goal is to generate around US\$150 per kiosk per month.”

ARED is not yet profitable, with Nyakarundi saying the startup needs to reach 100 solar kiosks before it can break even. That goal, he said, is now within reach.

“We spent two years developing the new kiosk model, but now that is done we plan to expand to 300 solar kiosks this year,” he said.

He said hardware development has been the hardest thing he has ever done.

“When I first started this business I was very naive on how challenging the hardware business is, maybe that is why they call it hardware,” Nyakarundi said.

“The second biggest challenge was to find a business model that works, and creates a win-win situation for all parties, and how to best monetise the business at the bottom of pyramid (BoP) level.”

ABOUT TOM JACKSON

Co-founder @DisruptAfrica. Tech and business journalist in Africa. Passionate about the vibrant tech startups scene in Africa, Tom can usually be found sniffing out the continent's most exciting new companies and entrepreneurs, funding rounds and any other developments within the growing ecosystem

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