

Africa: A hub for innovation

With a population of more than 1.2 billion people, 54 countries, and foreign direct investment (FDI) totalling \$59 billion in 2016, Africa presents organisations across industry sectors with ample business opportunities.



Annalie Terblanche, product manager at SilverBridge Holdings

Annalie Terblanche, product manager at SilverBridge Holdings, says that although the continent has long been viewed for its potential, the rate of technological innovation in recent times has seen it attract even more interest.

“Africa is well-known for its infrastructure challenges especially when it comes to fixed-line connectivity, reliable electricity, and access to drinking water. However, people across the continent have long embraced a culture of innovation to overcome these. An example of this is the growth of mobile telecommunications for more than two decades. Mobility has become synonymous with Africa as people and organisations are using it to address their accessibility needs,” she says.



Innovation labs in Africa have doubled

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So, even though fibre has become a key development priority in cities and urban areas, those in rural communities have come to rely on the likes of 3G and LTE to access services. And given the investment mobile operators are making across the continent to ensure reliable and high-speed access, even those living in highly populated areas are often opting for this as their preferred method of access.

Changing requirements

“It is in this age of innovation and mobile growth that entrepreneurs are starting their businesses. Many are receiving

investment from several local and offshore sources. The way these start-ups are approaching business problems given the limitations of their physical environments, make them good value for international investors who are searching for people who can think out of the box.”

At a time when there is a sizeable unbanked population across the continent, circumventing the need for traditional accounts have resulted in a reliance on prepaid vouchers to buy anything from goods at informal markets to insurance and healthcare. This also provides financial services organisations with the ability to create business growth in previously untapped markets.



Innovative e-commerce approaches can help small businesses in Africa

Mercy Mpinganjira 4 Jun 2018



Granted, cash transactions are still part of the reality of doing business in Africa. But thanks to the increasing popularity of mobile money solutions like MPesa, customers (and insurers) have a viable alternative. It brings those without bank accounts financial inclusion in a broader ecosystem that was not possible before. Mobile money is much safer than carrying cash.

Furthermore, it reduces a lot of the overhead and administration costs of managing cash for insurers and gives them a more effective way to collect premiums. By better enabling users to manage their funds, additional benefits are unlocked. These can include anything from earning interest on savings to access micro-loans.

Manage strategic objectives

The continent has unique requirements spread across each of its 54 different markets. What works in one country will not apply to another. Companies must work closely with local partners to ensure they understand the dynamics of those areas in which they want to get involved in. This approach will not only highlight the innovative start-ups that are driving trends in those markets, but it will also enable businesses to better manage their strategic objectives.

“Yes, there are still significant obstacles to overcome in Africa. Even so, the excitement of working in such an open environment where the possibilities are limitless is too good to resist. Businesses are looking towards this more agile approach and following suit with their own enhancements to better meet the needs of those in the continent,” she concludes