

Standard Bank's Kent Marais unpacks the acceleration of Africa's thriving platform economy

 By [Katja Hamilton](#) 11 Jan 2023

The Standard Bank group has adopted a platform mindset and is actively participating in several ventures beyond financial services. Through ventures, partnerships and solutions, it aims to increase awareness, drive interactions and support growth across Africa through efficient transfer of value, says head of Platform Domain at Standard Bank, Kent Marais.



Source: Supplied. Kent Marais, head of Platform Domain at Standard Bank.

■ *What have been some of the lessons Standard Bank has learnt during its journey of transforming from a traditional financial services organisation into a platform-based business and which of these lessons will Standard Bank carry through to 2030?*

Kent Marais: Standard Bank has ambitions of evolving into a client-centric, digitally-enabled platform business by 2025. On our journey to becoming a digitally-enabled diversified services organisation, we've embraced platform businesses that complement our financial services business.

We have since successfully landed several platform ventures such as OneFarm, Shyft, Thrive, PowerPuls and Looksee, and we will continue to grow these platforms. This allows us the ability to experiment further, and to learn and adopt our learnings to further enhance our value proposition to our clients, producers, and partners.

In our efforts to further build towards our strategic objectives:

- Trust has earned us our legitimacy to operate. The trust we have built over the years is amplified through the fact that we have built reliable governance and compliance processes as well as effective systems to effectively prevent and manage risks such as fraud detection and cybersecurity risks.
- We have also learned that we need to solve our clients' holistic needs beyond financial services. This thinking requires an intentional mindset shift.
- Investors, business owners and senior leadership support is vital. Senior stakeholders' buy-in determine

not just the prioritisation of the initiative and the funding awarded to it, but also the extent to which other stakeholders across the organisation engage to support the success of the initiatives.

It is estimated that by 2030, 230 million digital earning opportunities will be created in sub-Saharan Africa across the platform economy, and that one out of every 15 unemployed youth in Africa will use platform work to create earning opportunities by 2025. Where does Standard Bank fit in bringing this prediction to fruition?

Africa's emerging advantage lies in the fact that we have a young and entrepreneurial population which is becoming increasingly technology savvy thus, providing opportunities for the youth to be drivers and participators in platform business and the digital ventures.

Our platform initiatives are aimed at developing Africa. We understand the need to develop core capabilities for digital leadership, literacy and creativity to align with the growth of platform and digital-earning opportunities.

We will continue to provide entrepreneurs across Africa with the tools that they need to embrace new ways of doing business, including leveraging new cloud technologies in order to scale faster.



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You've said that when it comes to creating platform business ecosystems that it's about creating collective success. Could you elaborate on this statement and how your partnership with AWS, Microsoft and Salesforce are contributing to the future of the platform economy.

Platforms require proper co-ordination, collaboration and co-operation of multiple partners and stakeholders to grow and sustain the business. Therefore, it is important that all players have a mutual understanding. To ensure the continued support of these partners, it is key that the value created is shared equitably (not necessarily equally) among the various participants to ensure their continued engagement.

Collective success could also be described as a "win-win" for all participants. A sharing model of leveraging each other's strengths to achieve outcomes quicker with a larger impact is the desired outcome. Our common objective is to drive growth in Africa through co-creating customised solutions for our clients.

The partnerships are about aligning on broader strategies but also about making sure that we can learn from the way these companies have been able to scale.

We understand that we cannot be the engine for all growth so we plan to leverage our partnerships with partners such as AWS, Salesforce and Microsoft to fuel the next generation of growth.

What has emerged from studies is that platforms only have a lifespan of five years, with gig economy platforms failing within the first two to three years, mainly due to lack of users or funding. How is Standard Bank able to help business owners turn this around?

A Harvard Business Review (HBR) [article](#) identified the most common failure points in four major categories

for platform businesses:

- Mispricing on one side of the market;
- Failure to develop trust with users and partners;
- Prematurely dismissing the competition; and
- Entering too late.

Considering these obstacles that platform businesses face globally and across Africa, Standard Bank has developed several frameworks and white papers to assist the adoption of platform principles within incumbent businesses and for new ventures.



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Principles include the consideration of time horizons and identifying measures to track success scalability, and the commercialisation for platform ventures.

These design principles support platforms in navigating some of the identified pitfalls such as launching timeously and testing which side of the network to charge for the value provided.

A key observation in the HBR article identified the requirement that platforms need to increase their financial runway to reach the required scale. In Africa this is often done by securing capital through alignment with larger businesses for investment, support and market reach. To support this alignment, the frameworks have emphasised the importance of aligning senior leadership within expected milestones for platform business investments to increase the chances of success.

The health of platform businesses is based on the specific network effect that the business can leverage, and therefore trust is critical for all participants.

Over time, all platform participants should be able to trust the platform to provide the expected benefits as the network scales. Within this scope, it is important for ventures to be reliable and demonstrate embedded governance and compliance, as it drives growth.

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Construction Editor at Bizcommunity.
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