

iROKO to 'SPARK' Nigerian startups

Internet entrepreneurs of iROKOtv and Nollywood fame, Jason Njoku and Bastian Gotter on Wednesday, 8 May 2013, announced the official launch of SPARK, a \$1m-backed company to support and develop aspiring Nigerian tech and internet entrepreneurs.



L to R. Jason Njoku and Bastian Gotter

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SPARK, a company that builds companies, is based in Lagos, Nigeria and is set to fill the vacuum that currently exists in the country's angel investment (\$30-75k funding level) eco-system.

Managing partner of SPARK, Jason Njoku says "In Africa, we're witnessing an exciting metamorphosis, from a tech 'scene' to a tech 'revolution', where Lagos is very much the gateway for the entire continent. The creativity, talent, the spirit of entrepreneurship is here, but Nigeria's business ecosystem isn't set up to adequately support start-ups in their earliest days. Our intention with SPARK is to act as the catalyst to a period of aggressive and exciting growth in Africa's internet sector."

The move comes amidst significant disruption in the Nigerian internet scene; fast becoming one of the country's most prolific and exciting sectors, many entrepreneurs struggle to make the transition from idea to business, due to prohibitive start-up costs, a lack of on-the-ground angel investment opportunities, a lack of access to trusted mentorship and business bureaucracy. The SPARK mission is to facilitate the transformation of good ideas into awesome, profitable and sustainable African Internet businesses.

From start-ups to dynamic businesses

SPARK-funded companies, managed by Jason Njoku, Bastian Gotter and Mary Remmy-Njoku, share the same administrative infrastructure, legal teams, mentors and marketing support, making the companies capital-efficient. SPARK concentrates on well defined and scalable revenue models and has, to-date, seed funded or created 13 start-ups to the sum of \$35-75,000 each. These companies include a hotel room booking site, a Christian dating site and a property-letting site. Companies in the SPARK network currently employ 80 people and by the close of 2013, SPARK expects to have created or funded 20 companies in total.

Economic growth is currently 7% per annum in Nigeria. The current value of the Nigerian internet sector today is estimated at \$250m and by 2016 it will be close to \$1bn. Nigeria is seen as a 'frontier market' with a population keen to access new consumer items, both in stores and, increasingly, online. However there are few internet companies that have the backing or ability to supply the ever-increasing demand.

Bastian Gotter, managing partner of SPARK says: "The incubation period for any start-up is critical and we found that this is where Nigeria's business infrastructure struggles most. SPARK is uniquely positioned to totally change this; we aren't just an incubator, we aren't just an investor - we are a company that builds companies.

We fund our companies, provide them with the back room assistance they need to get started and advise them on all aspects of their business. SPARK is the financial, intellectual and pragmatic engine that will propel Nigeria's internet entrepreneurs from start-ups to dynamic businesses that generate jobs and income for the region."

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