5 trends opening doors for African tech entrepreneurs

By Odette Faling   5 Nov 2019

Not long ago, it was said that African problems require global solutions. However, the status quo is changing, particularly in technology, as the sector shows the global community why Africa's unique challenges call for homegrown solutions.
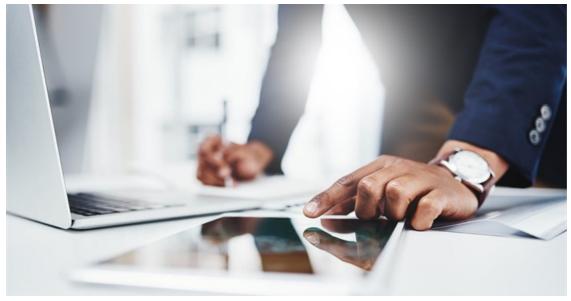

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In Africa, it's never been a better time to be a tech entrepreneur. On top of the extraordinary rate at which Internet access and connectivity has grown on the continent, innovation in payments has shaped a more inclusive digital society, mobile penetration is on the up and up and virtual infrastructure delivers the rails to give more people access to life-changing digital tools, products and services.

Africa's noise in tech has caught the attention of global investors who want to back "profit with purpose" founders solving big problems. Mobile money, led by M-Pesa, is the most celebrated African tech success story but which trends are building on the momentum? What are the key ingredients beneath Africa's current trajectory?

1. The rise of digital hub cities

Across the continent, digital culture has caught on and cities such as Cape Town, Nairobi and Lagos have emerged as breeding grounds for local tech talent and innovation.

By design, these cities encourage a networked society and parallels can be drawn in how they connect entrepreneurs to opportunities: universities and colleges offer digital courses and curriculums, incubation centres and co-working spaces bring entrepreneurs and skills together, and government institutions such as Wesgro (Cape Town) exist to attract investment and promote business prospects that benefit local people.

2. Venture capital and impact investing

According to a report by French VC Partech Africa, 146 African tech start-ups raised over $1.1bn in funding in 2018. This year, that number is projected to climb to $1.5bn as investors sense they needn't look too far to find founders tackling big issues at the heart of Africa's emerging economies.

A growing number of VCs and impact investors have a keen eye for start-ups who are improving their communities and

solving big, socio-economic problems. The stage is set for entrepreneurs to raise capital by demonstrating scale and a commitment to the greater good.

3. Tech socialism

Across the digital spectrum, more citizens are coming online for the first time and creating new distribution networks. Against the backdrop of democratised access, entrepreneurs are well-positioned to build tools and services that can empower hundreds of millions of people.

Inclusive tech founders have the power to push value back towards customers by designing digital products inspired by positive emotional objectives. Products that improve customers' lives will prosper in a world where more people have access to technology.

4. Cloud services for scale

Cloud-based services are taking the pain and cost out of building powerful digital experiences. In the past, tech founders would grapple with prioritisation and where to focus. Mostly, the nice-to-have features were deprioritised in favour of cutting costs, freeing up engineers and the need to make money. Now, an abundance of plug and play capabilities dominate the cloud and offer online businesses scalable, fitted answers.

Gamitee is just one example of how we leverage third-party services at Travelcheck. The integration is helping our customers plan trips collaboratively and has increased conversions and loyalty. We can focus on business-critical functionality and core services while not compromising on adding useful features for customers.

5. A.I. will drive growth and development

If the Internet was the biggest game-changer of the past two decades, Artificial Intelligence will usher in the next wave of rapid modernisation. Even though technologists are only beginning to venture down the A.I. rabbit hole, it will transform Africa's agriculture, healthcare, public services and finance sectors. Policy and lawmakers and entrepreneurs will need to be forward-thinking and adaptive to the systemic changes advanced A.I. will bring to society.

Today, Africa proudly stands on its own feet. The perception that our challenges require global solutions is being debunked as more innovation takes place at home. From agriculture, payments and mobility to healthcare, education and travel, one doesn't have to look far to find inspiring stories of digital disruption and development taking place in industries across Africa. Indeed, the birthplace of breakthrough innovations and inventions has shifted to home soil.

ABOUT ODETTE FALING

Odette Faling is the CEO of South Africa's newest online travel agency, Travelcheck.co.za. After 12 years in ecommerce she has gained deep knowledge in developing partnerships and marketing strategies to help companies grow.

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