Themes:

STARTUPS

In

AFRICA

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ACRONYMS:

CEO: **C**hief **E**xecutive **O**ffice

CTO: **C**hief **T**echnology **O**ffice

CMO: **C**hief **M**arketing **O**ffice

IT: **I**nformation **T**echnology

US: **U**nited **S**tates

STEM: Science **T**echnology **E**ngineering and **M**athematics

OVERVIEW OF TECHNOLOGY AND BUSINESS:

1. Introduction:

Technology has really advanced more than we have expected over the last two decades, a number of phenomena has emerged which has rapidly and radically transformed the way of living (lifestyle- culture) and the ability of businesses to construct customer services and products. Nowadays, Technology has become more important in many areas like Marketing, Education, Healthcare and even Environment, but we have become more dependent on the use of technology. It can be either software and application or accessories and gadgets such as smartphone, desktop computer, laptop…

Business is defined as an organization or enterprising entity engaged in commercial (buying, selling, bargaining), industrial (transforming, manufacturing, launching), or professional activities (services, teaching). In the recent situation, business is the production, distribution, and sale of goods and services for a profit. Business, regardless, are living breathing and operating in an environment where information technology (I.T) is changing the view, the landscapes around them, transitioning from the back room of an association into the hands of buyers, workers, and the community. The growth of technology provides a faster, more convenient and more efficient way of performing business transactions. Some actions of technology in business include accounting systems, management information system.

Generally, business is actually an activity which remains as doing services, earning and gaining something in return. However, it is often for profits organization and non-profit organization.

2. Roles of Technology in the world of Business and Marketing:
as it mentioned above, technology is key of business success and is really important for companies' growth, there are two (2) major roles which prove that technology is really important:

a. Speed of communication:
In the age of technology, computers and the internet have become as necessary to business as capital, in some cases such as investing, saving. The use of software and hardware has made things quicker than before and less prone to errors, we all agree that communication has been revolutionized, and more than 100 have access of internet and communication services.

b. Storing data:
Generally looking at businesses, there are many technologies that is actually used for saving data and creating a database. Thanks to the advanced technology such as Personal Computer (PC) and Internet, many industries manage to store their database safely without being scammed or stolen.

PART I: GENERALITY

1.   Definition:

The concept of startup has been around for a quite a while now, but there are still doubts and unanswered questions about it even the simplest questions generate a few confusions. In your opinion what startup is? Is it a company or enterprises? What does startup do? To understand more on the concept of startup, let's define it accurately.

A startup company is a newly formed business with particular momentum behind it based on perceived demand for its products or service. The main goal of startup company is to grow rapidly as a result of offering something that addresses a particular market gap. Generally, there are no fixed parameters on what type of company can be considered a startup, but the term most frequently applies to high-tech companies creating products that leverage technology to offer something new or to transform or to upgrade an existing task in new **way.**

As it is mentioned above, startup is little company founded to develop and to manufacture a unique product or services, and the products will be brought in a special marketplace. Many startups have caught on during the two last decades (in the year of 2000s until now); you may be familiar with startup in Big Tech Company like Facebook (currently known as Meta), Amazon, Apple, Netflix, Google. They are actually the well-known startup that had attracted customers in the recent year

2.   Types of startups:

When we talk about startup and company, most people usually think of Silicon Valley (California, USA) where the company activity turns around Tech startup like Facebook or Google. However, there are 4 variety of startups in the world that ranger from growth-oriented tech startups to mom-and-pop grocery store.

a.   Scalable startups:
Scalable startups take an idea or concept, typically in tech world, and work to quickly develop the company's top and end revenue to achieve the highest revenue in investment **possible**. In this case, this startup requires market research to identify exploitable market opportunities.

Ex: Google and Facebook

b.   Large company startups:
It is already a company that can be called successful company because all he needs is to adapt their business model to survive with the help of internet (social media, website), customer interest, and markets changing every **day**. But it still needs to reach new audiences, diversify products offerings.

c.   Small business startups:
The small business startup is somehow a little company which aims to feed the family; it means that its main goal is to help a family to live on or to survive, or even to purchase necessary tools at home. It is the most basics startup but it is quite difficult if you're not able to raise funds. Everyone can create their own small business such

as selling online products (cellphones, clothes, shoes...), grocery stores, hairdressers, bakers, electricians, etc.…

d- Social startups:

A social startup is an approach by startup companies and entrepreneurs, in which they develop, fund, and implement solutions to social, cultural, or even environment issues. It combines commerce and social issues in a way that improves the lives of people connected to the problems. They generally called success if they see that the social environment is getting better and better.

3. Member of Startup:

In this part, I'll focus more on "**scalable startups**", because it is typically the most recent startups which aims on the business growth. Normally, starting any types of business requires a group of people which has a different role to manage and to ensure the company's development.

a- The Chief executive officer:

Chief executive officer also known as the CEO is the most essential person in any types of business that you'll manage, because he/she is typically the big-picture person who controls the company's direction and vision.

b- Product manager:

Under the CEO, there is a person who will be the responsible for all the tasks that are related to the product management. This team member manages the product strategy, vision and growth. They typically work closely with engineering and marketing teams to create and market products.

c- Chief technology officer:

They are the team who specialized in technology and development, they usually participate in a tech startup or also called scalable startups. As it is mentioned, CTO are responsible for managing and sorting companies' data from websites or an application.

Ex: programmer → develop websites (front-end and back-end) for the company

d- Chief marketing officer:

This team member will focus more on customers and how they view products and services. Having an expert with excellent marketing and promoting skills will be more benefits because they will make sure to reach a wide audience. Their major roles are to interacts with customer so that the companies' popularity will extend more, and to act as an interim community manager in order to keep positive relationship between business and consumers.
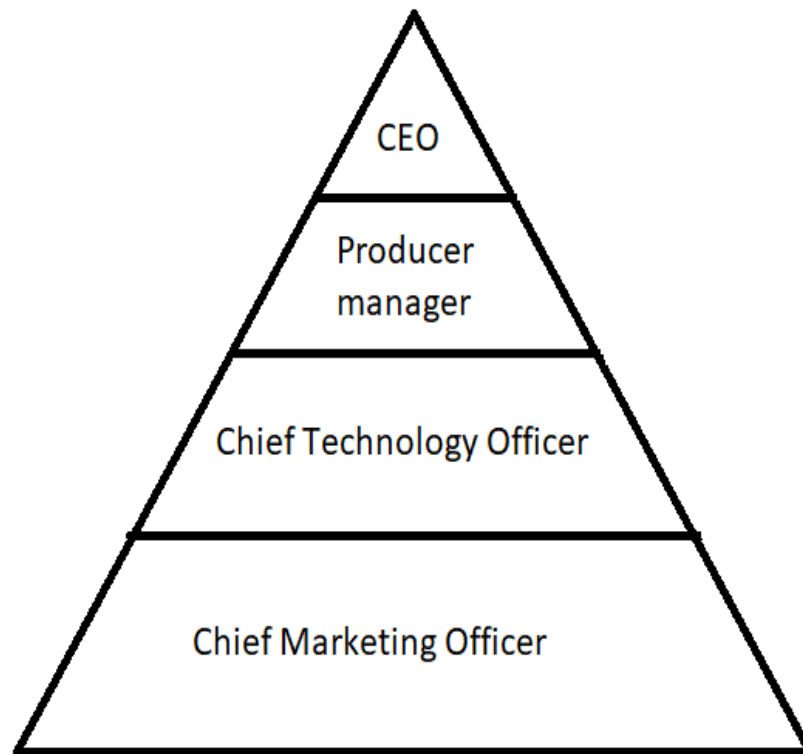
Fig 1: Hierarchy of the Startup member

To conclude, a startup is a little company which aims to change the world by producing a range of unique product that is commonly put in a special marketplace. Entrepreneur cannot be really defined as a startup because an entrepreneur works independently, without any members but succeed through cooperation, however, startup needs a different person which has different roles to catch up success.

PART II: WHY SHOULD **WE** PROMOTE YOUNG AFRICAN STARTUPER?

"**WE**" refers to all the people who are able to develop any local startups by participating in its growth like Investors, Sponsor (media, company), and even the customers.

There are many reasons that push many people like me to promote startup activity, because of the less participation of young people in countries' growth; we all know that Africa is known by its young population. Moreover, in recent years, the lives we live has become more and more difficult due to inflation of fuel…

1. <u>Young participation in countries growth:</u>

As it mentioned above, Africa is kwon by its young population; it means that there are more young people (x < 25years) than older people (x > 60years), and young are more active. However, it's not that case in the domain of work, we can see that majority of young people are unemployed because there are not much job that is actually suitable for them, for example a person who studies Food Engineering could only get job from Food Company unless they have an opportunity to launch their own factory

2. <u>Develop countries economy:</u>

Company plays a great and a major role in country's development; it is either economically or socially. It is well-known fact that AFRICA has many activities which hasn't been exploited yet over century. For example, Technology and Robotics fields (STEM), Farming and Agriculture fields, Healthcare and Environmental fields and Civil Engineering and Construction fields.

As far as I'm concerned, Tech startup or Scalable startup is worth developing countries' economy, because we have been living in a digital world where technologies occupy almost all of the field and domain activities over a decade. What I'm trying to say is the more companies a county has, the more developed a country will be.

PART III: PROBLEMS WHICH CURB THE DEVELOPMENT OF STARTUP

1. <u>Weak infrastructure:</u>

It is globally known that Africa, in term of advancement of technology and building construction, is very retarded and late compared to Asia (Japan, China, Thailand, South Korea), North America (US and Canada), and Europe (Germany, United Kingdom, Russia, Belgium, France). It will take around one century to catch up these countries.

Africa possesses a few infrastructure and commercial zone to grow and to place their market, maybe it is all due to these bad roads that we can clearly see everywhere in the capital and cities. Let's take a look at Antananarivo, the capital city of Madagascar, which experiences frequent power surges in some areas, and even some villages don't either have electricity, or clean water.

Many transportations are experiencing some difficulties due to a bad condition of roads
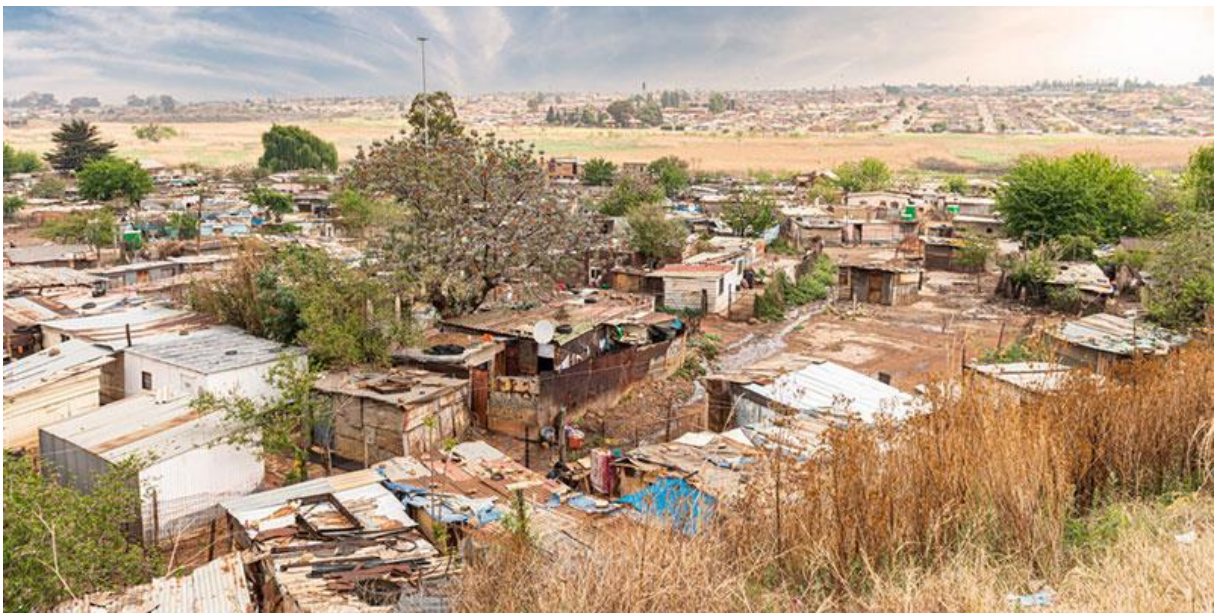
This picture shows the non-evolution of some towns outside the urban city

2. <u>Globalization</u>:

Globalization has made the world easier to communicate over a decade thanks to the advancement of technology and networking. Not only have globalization given advantages, but it also gives many drawbacks for some countries which didn't benefit from it.

Majority of poor countries experience inequity of exchanges; it means that they are usually in deficit, it is like they export more and import less due to the difference of currency (1£ is worth around 5000 AR). In terms of selling products, Foreign companies are able to export production to countries with low labor costs, thus increasing competition from foreign companies. Whereas, local companies are considered as a weak company because they can't compete with foreign companies while manufacturing high-quality products and selling in an expensive price in their local country. For example, Asian products which is spread all over poor countries like Madagascar.
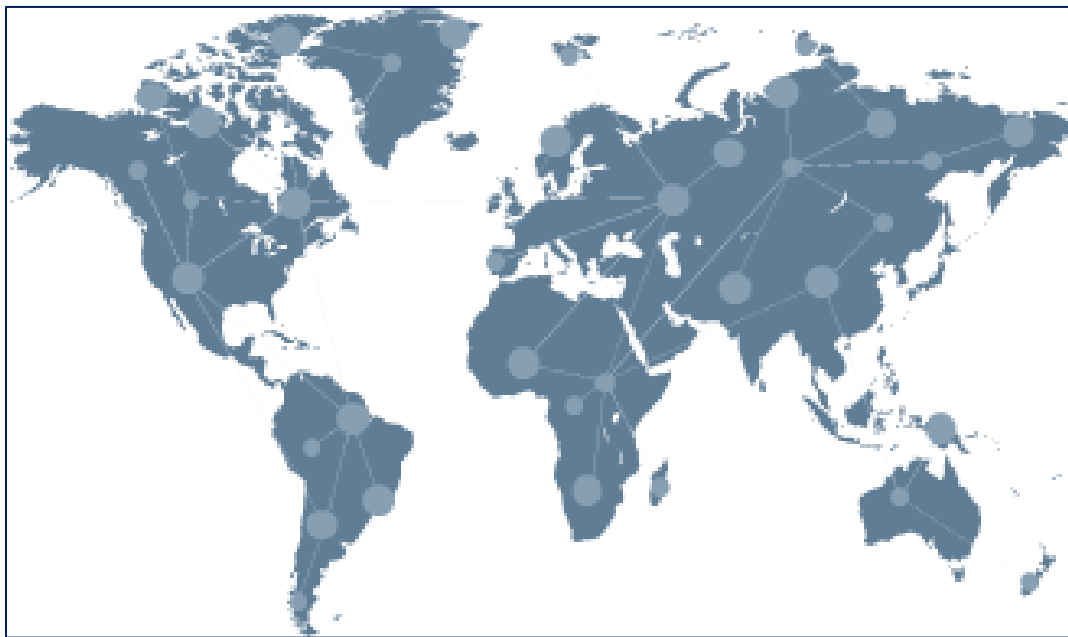
<u>SOURCE</u>: Slidesgo Templates

3. <u>Limited to access finance</u>:

The main obstacle to start-up is the lack of funding and financing, because it is well-known fact that a company needs finance and funds to survive their businesses, and to launch products in the market place. Though the number of business is increasing rapidly, the amount of financing for these companies has remained largely stagnant. Therefore, banks are reluctant to grant loans to small businesses.

Report has shown that 85% of small business are largely underfunded, Thus many startups are obliged to close and to close their little company.

percentage of closed startups due to lack funds and finance

- underfunded startups
- startups left

15%

85%
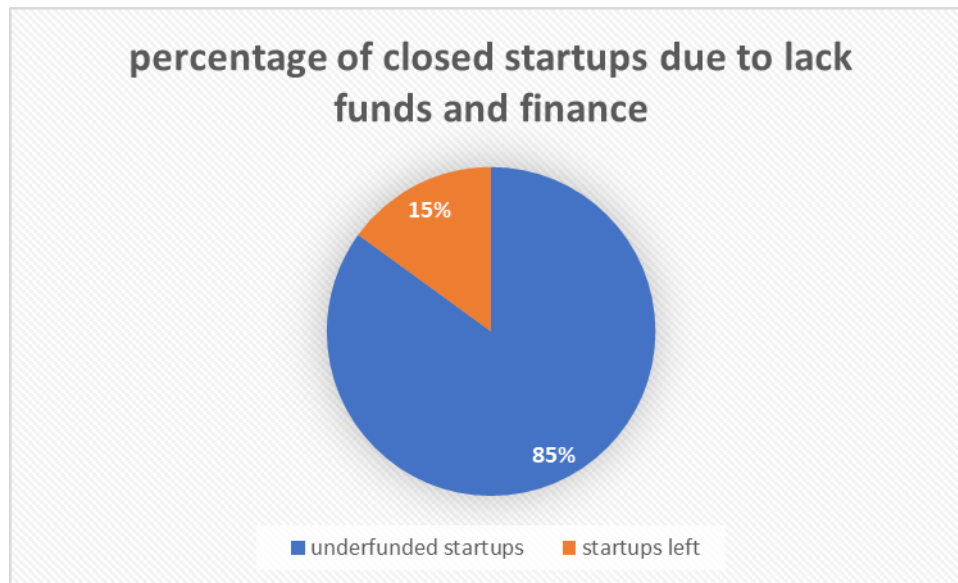
PART IV: RECOMMENDATIONS AND SOLUTIONS TO SUCCEED IN STARTUP:

I. Methods to succeed in startup:

According to **Bill Gross** (mentor of Startup development) in 2015 at Vancouver (US), there are five (5) compulsory methods to succeed in starting a company, these methods are Ideas, Team, Business Model, Funding and Timing. However, in this book, I will focus more on 3 methods which are able to cover Bill Gross's method.

1.   Ideas:
Coming up with ideas is the most basic but the most complex steps in launching a business, why, you may think it is simple step to success, whereas, it's completely the opposite, because it is generally the beginning level of your business and it concludes your main activities.

As a tech startuper, all you need is to create products that will certainly make investors and other companies invest on your projects, it means that your goal is to attract as much as customers and investors.

Ex: Developing an E-commerce services
e-commerce is all activities that is related to digital marketing like Search Engine Marketing, Online Marketing, Ads. In this busy world, all the customer need is a service delivery so that no one won't necessarily move to a place, but receiving it at exact time and place.

2.   Team:

As a startuper, we usually need teammates because in a startup there are many roles which should be taken by different member of the groups; it is quite different from being an entrepreneur who only works as solo member but needs pushes from investor
For example: CTO who are responsible for I.T domains like Technical Issue about communication such as Networking.

3.   Funding:
young people need to access to start-up capital and other types of finance in order to create and grow their business. Because we cannot start anything without a once of money, what I'm trying to say is that capital is reason why most startup becomes a big company.
Example:
Buying the main materials for your business needs capital such as purchasing Laptop and Tech accessories if you are in a tech startup, well, you can't furnish your software without these materials.

II. RECOMMENDATIONS:

1.   Lowering service cost:
Due to the inflation that the world experiences, services and products has been increasing higher and higher, the quality has really changed; well, it isn't getting that bad nor that good but in an average way. For start upper, it is really difficult for them to match their needs with their capitals, because the more we spend on something, the less investment we get.

Many startups have tried to solve the issues about services cost, but it has completely failed. In recent years, solutions have been proposed and it hasn't remained a satisfied result. When we talk about "Services", it usually refers to internet services, electricity and bills. These services are really hard to negotiate especially for the cost of internet which is too expensive, and many young people can't afford to subscribe into it. As a solution, the best thing to do is cooperate with the operator to solve ultimately, because most of time they are willing to offer a company a massive discount.

2.   Renovating infrastructure:
African countries could actually catch up some European countries like France, Italy, Swiss economically and demographically. Renovating infrastructure will be the biggest projects ever in Africa; it is a well-known fact that most African countries (Senegal, Mali, Nigeria and Madagascar) have a bad reputation for its building constructions and crafting; However, many young African have a huge talent of doing this kind of thing.

Industry and infrastructure goal aim to build resilient infrastructure, promote inclusive and sustainable industrialization and innovation. Infrastructure is the back bone of any country as it is able to create job and boost economic growth. Renovating infrastructure will include the replacement of deteriorated roads and redistribution of electric and water in many areas, improvements transportation systems which involve in upgrading bus station, adding a new automotive model such as bus powered by solar energy. For

example, here in Madagascar, there are approximatively thirty-five (35) National roads which are almost deteriorated by the bad weather in summer (October- March) and natural disaster (cyclone, storm). They are needed to be rebuilt because it insures the transportation of local products

3.   Maximal participation of the government:

Normally, government should participate in the development of companies because in case a company is developing and its products are spreading in a region or even become a national firm. It doesn't mean that we should privatize it but we have to help it by funding and financing.

Government can also help a startup by limiting the demands of government policies and laws, such as Tax, Contribution, customs right. Let's define exactly what tax is? Tax is the money paid to the government other than transactions- specific goods and services. It is generally paid by the people who own factories or do something that remain money in return. Personally, the limitation of taxes can contribute on the companies' growth, even though the government won't really benefit from it, because the less tax a company pays, the more flexible the finance is; it means that if the government doesn't raise the cost of tax, a company has an opportunity to save funds for the next release of products.

Government can provide timely financing option by partnering with banks and engaging responsively with youth. Besides financial support, startupers receive training, coaching, mentoring, and opportunities to participate in exchange trips and competitors. Furthermore, using banks to distribute funds rather than distributing directly enhances transparency. Grants can be highly effective in supporting growth-oriented businesses in job creation.

CONCLUSION:

Startup is a little company in search of development and financial support; in this case the term "development" refers to the expansion of a company, equally becoming a firm. It aims to ease people's need, it's like to facilitate their services for example delivering food, customizing T-shirt or Sweat. Secondly, startup is needed to earn money as well. Right? Is it relatable? Nowadays, having money allows people to win someone's respect and it is quite like a fashion. For example, won't you be happy if someone gives you one. Furthermore, startup is a versatile activity because it can be a profit organization (aims to gain as much as possible money to grow; it means that this kind of startup really objective to grow) or a non-profit organization (this is pretty relatable for social startup which target is to help everybody in their everyday lives by creating a range of products that can be helpful. Else, by financing students and offering opportunities to children and young to access education like the Madagascar startup whose name is Shayna which gather as much as possible Developer and Programmer).

Africa is still underdeveloped and many people suffer from poverty or inability to access much money, though we can be sure about the fact that majority of African countries like Nigeria, South-Africa, Kenya, and Rwanda have been developing over five years; it's all thanks to these startups. According to Statista (w3.Statista.com) released May 2022, Nigeria was estimated at around 3,300 startups in 2020, which is actually the highest number in Africa, Then South-Africa is ranked in second place (2nd) with 660 startups. Followed by Kenya which has approximatively 600 startups in the same year. Personally, there are many reasons that push me to choose this topic; I would mention two main reasons. Firstly, looking for jobs have become more and more difficult compared to the previous decade; well, it is due to company requirement especially for company which search for a person who has already worked or already has experiences. Secondly, African people are smart, clever and most of them are young (under 30 years old and above 13 years old). And they have a huge talent that hasn't been exploited due to the lack of opportunities and finance. For instance: In Africa, there's a young boy around18 years old who launch his own business by creating Drone.

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BIOGRAPHY:

Niaina is an eighteen years old boy who studies English at Madagascar Professional Training Center (MPTC) and lives in Antananarivo-Madagascar. Apart from his English study, he also studies Computer Science from the public University in the downtown; he has been there since last year (2021). Since his childhood, he has been interested in Technology advancement such as creating simple or complex gadgets. He is not a geeky person but he is only an adolescent who is concerned about the world evolution. He has to learn some modern skills, well, the specialization of IT is currently and essentially important and needed because we live in a world where technology reigns.

Concerning his interests, he is kind of person who's not really into partying or those types of social events unless it is beneficial for him. There are some particular topics that he is keen on, for instance art, cinematography, culture, history, science, and sports… he is fond of Asian culture especially for those Southern Asian like Japanese, China, South Korea. Although he has never been to these mentioned countries, he has already lived their culture through Tv shows, Documentaries and Movies. In term of Art, he is bit more interested in Renaissance and digital artistic, well, there are pretty much beautiful arts but these are really brilliant. Finally, the

journey at MPTC was great and he had met different types of people but a few of became friend. He had been learning there for one year and half and he was only taught by two teachers. Hardly had he the time he got bored because the teachers know how to interact with students.

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ABSTRACTS:

in general, startups usually refer to a group of people who wants to start a business in order to make money and to succeed internationally. Startups are very popular in California (U.S) and India, that's why these countries are really developed. Thus, this book aims to convince you to contribute and to promote local startups by buying their products or giving supports.

Keywords: startups, entrepreneurship, company, success, business