TRENDS	INTEL	INDUSTRY	REGION	PURSUITS
URBAN REGENERATION	HEALTH	ICT	EAST AFRICA	TRAVEL GEMS

KCB VENTURE

NOT FOR SALE

Corporate Magazine | April-June, 2020

The Digital Decade

World Economy Disrupted

what Covid-19 means for your business continuity planning

KCB

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WORD FROM THE EDITOR

Living in a digital age

The last couple of weeks have been unprecedented in the challenges that the global economy has faced as a result of the Corona Virus that has caused numerous deaths and a global lockdown. Trade and travel disruptions have been the order of the day, while the health systems, even in the more developed countries, have been stretched to the limit and their vulnerabilities exposed.

It is a testament to interconnectedness of the global economy, and more so, in this day and age of air travel, how quickly it is for a disease to be transmitted across the world. It has shown us how vulnerable our health systems are and the need for decisive action to deal with this novel virus.

That aside, your favourite magazine has once again paid special attention to the digital age, the fuel that is driving the global economy.

The magazine's main focus in on the digital decade and how it is shaping the way we interact, and how to cope with the rapid changes taking place in this ever shifting sand dune and what the future holds in this sector.

"The magazine's main focus in on the digital decade and how it is shaping the way we interact, and how to cope with the rapid changes taking place in this ever shifting sand dune and what the future holds in this sector.

We have looked at what some of the subsidiaries are doing in their countries as part of bridging the technology gap and easing the lives of people. In Burundi for instance, we have focused on the leading telecommunications company there – Econet Leo – and what it is doing to increase mobile penetration in the country through its innovative and cutting edge products.

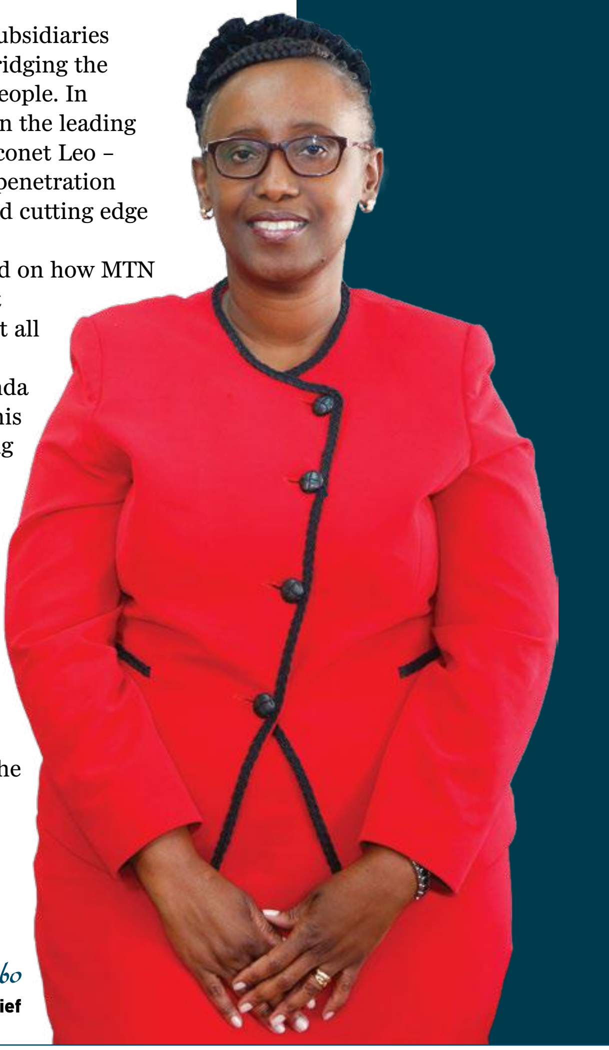
We looked to South Sudan and focused on how MTN is managing to operate in a post conflict environment, rolling out services against all odds.

In this issue, we also traveled to Rwanda and looked at the technology boom in this land locked country that is fast becoming a country of many firsts in the region.

You will also read about credit scoring in a digital age. This is a very enlightening piece, especially in this age of multiple lenders – both traditional and digital – that has made tracking the quality of loans, and the borrowers, difficult without the aid of technology.

In the pursuit section, you will find activities that can keep you away from the hustle and bustle of our lives, and give you a much needed breath of fresh air.

Enjoy the read, and stay safe.



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Reimagining the Corporate Bank of the Future

Peter Kathanga

For years, corporate banking has been accused of being less agile and slow to innovate. Compared to retail banking that has embraced technology and has become the prime enabler of the digital economy, commercial banking is still playing catch up globally.

The verdict has always been that corporate banks need to evolve not only to win new businesses but to also retain the existing customers, to accelerate growth and become agile and digital-focused.

This wave of digitization in banking continues to exert pressure on corporate customers. Increasingly customers are realizing that banks need to do more to empower them to be in charge of their finances, support their businesses and facilitate trade. Overall, they demand for a better experience, akin to the service level they get when transacting on their personal accounts.

This disconnect in service level offerings between consumer banking and corporate banking is set to change in 2020. At the global level, corporate bankers are embracing technology and greater customer-centricity to drive the business.

Embracing these new developments offers forward-looking banks the best chance to realize a new competitive edge in a cut-throat market and a tough operating environment.

The customer-centric approach is central to improving the lifetime value of the customer through a design lead to product development, delivery and pricing whilst maintaining personalized relationships.

At KCB Group, our new three-year strategy— Beyond Banking— that seeks to deliver the very best in customer experience while driving a digital future puts the customer at the center of all that we do.

Beyond Banking is anchored on four strategic thrusts include putting the Customer first, with leading value propositions; Driving a Step change in efficiency and productivity; Being the Digital Leader and Digital to the Core, and Building Scale to achieve regional relevance. These thrusts will enable us to deliver the three-year strategy.

> **Without doubt, data and analytics is the secret sauce that underpins the growth of corporate bank of 2020, and beyond.**

One essential part of the transformation journey for corporate banking is the adoption and full rollout of business intelligence, artificial intelligence, and advanced predictive analytics to boost our engagements with customers, optimize and extend business processes. Without doubt, data and analytics is the secret sauce that underpins the growth of corporate bank of 2020, and beyond.

These will provide unprecedented opportunities for us to change and improve how we manage risk and provide financial services including offering the ability to provide customers with seamless real-time, and multichannel digital interactions.

Beyond risk selection and management skills, we aspire to distinguish ourselves through superior cross-selling capabilities, loan-pricing skills, and cost-efficiency.

In pursuing these objectives, we are increasingly adopting technology to increase efficiencies and serve customers better. We have deliberate efforts to strengthen client relationships with differentiated multichannel coverage.

The global outbreak of COVID-19, has forced us to immediately transition into online market places that conform to social distancing measures. There is also a need to minimize physical cash handling and we are focusing on giving our clients solutions premised around what is now the new normal through our robust online banking platforms.

As a department, this year, we are focusing on strengthening client relationships, digitizing our processes, redefining our product offerings, and embracing technology. We are confident of our transformation journey to becoming the corporate bank of the future.

The writer is the Director, Corporate Banking at KCB Bank Kenya

> **Beyond Banking is anchored on four strategic thrusts include putting the Customer first, with leading value propositions; Driving a Step change in efficiency and productivity; Being the Digital Leader and Digital to the Core, and Building Scale to achieve regional relevance.**

A city in transition

To stay afloat, Mombasa is banking on the creation of a special economic zone and the city revitalization plan which authorities hope will spur tourism

The creation of a Special Economic Zone at Dongo Kundu and a plan to revitalize the city could be critical in securing the future of Mombasa.

The downfall of the historical coastal city had been coming, according to planners and scholars who have observed economic trends, but it could still bounce back after hitting what scholars from the University of Nairobi called 'economic decay point'.

An August 2019 study by the University of Nairobi showed that the National Treasury had lost a huge portion in revenue from Mombasa County since the introduction of freight trains in January 2018.

About 2,987 employees working in CFSs, trucks and fuel stations have been laid off from between January 2018 and August last year, while more than 8,111 workers expect to be sent home if the directive is upheld.

The study stated that Mombasa is at 'economic decay point' because with the job losses at the CFSs, there would be a knock-on effect on the businesses that depend on the economic activity they used to generate. These would range from accommodation services to food and on to the provision of other amenities, with the effect in turn being felt by industries along the value chain.

"Mombasa will also fail to collect more than KShs.17.3 billion due to closure of various businesses in Mombasa while a number of businesses such as fuel stations, hotels and lodges along the Northern Corridor would be affected due to lack of patrons," says Ken Ogolla, the report's lead author.

The city's planning and economic lifeline has always been done around the Port of Mombasa, with its surrounding business tuned towards this.

From its over 200 car bazaars that have taken over the city's landscape, to offices for clearing and forwarding agents, and the container freight stations that dotted the island, the city had grown around the port, benefitting from the inefficiencies that had made clearance from the port slow.

"This is where the problem is. They never saw the SGR as a threat, and they were caught napping. Now they are trying to re-invent, when the first train left with their daily bread," Charles Mwangi, a planner said.

With this realization, planners are now warning that the city's administration needs to rework its economic prospects outside of the port business but on its tourism attractiveness, re-planning it to be accommodative to visitors.

"It is important for the current administration to restore the city back to its tourism flair. We need to see more public spaces and attractions. We have seen parts of this being done, including the city's beautification, the unveiling of the Mama Ngina recreational park by the state but more needs to be done," Mr. Mwangi said.

In October, the national government unveiled the refurbished Mama Ngina recreational park, which cost Sh480 million. The park features an open amphitheatre and a cultural centre.

Working with Mombasa Cement, the county has for the last three years been redeveloping the Kibarani dumpsite, which was a noxious eyesore at the gates of the city.

Kibarani is now a recreational center with a wide variety of uses - structured play spaces, open lawns, animal habitats and picnic grounds just like Uhuru Park in Nairobi.

With a capacity of more than 20,000 people, the park is among the biggest green parks in Mombasa with different species of plants and flowers. The park was the venue of New Year Celebrations with hundreds of residents in attendance.

"Our revitalization plan is slowly taking shape, as we try to steer the city more towards tourism and attractions. That is what Mombasa is known for," the County Communications Director Richard Chacha said.

Already, the county administration is seeking to have the city's central business district free of car showrooms and the county government has been working to push the more than 242 car yards to an economic zone at Miritini.

In April last year, the county administration attempted to kick out all the car bazaars from public land, residential compounds and road reserves within the city by refusing to renew their operating licenses. This, the county government hopes, will ease congestion in the city. The notice has since expired.

"We gave them a notice which expired," Mr. Chacha said, adding that the matter is now in court as the Car Importers Association of Kenya (CIAK) fights back.

To support the tourism business in Mombasa, the government has also constructed a new KShs.1.3 billion cruise ship terminal at the Port of Mombasa. The terminal features restaurants, coffee shops, ATM machines, curio shops and tour operators' desk. It will also have a four-star hotel within its precincts.

"This is a first of its kind in the Sub-Saharan region and it is now upon different tourism stakeholders here in Mombasa to work together to market the facility," Tourism Cabinet Secretary Najib Balala said.

The National and County governments are keen to have the Special Economic Zone in Dongo Kundu up and running to forestall an economic meltdown.

The Zone will have retail trading, bulk breaking, re-packaging logistics, warehousing, handling and storage of goods.

In August last year, President Uhuru Kenyatta signed the final agreement with Japan for the construction of the Dongo Kundu Special Economic Zone (SEZ), which will unlock more than 60,000 job opportunities.

Kenya was expected to sign off on the KShs.41.07 billion deal with Japan to construct the industrial and commercial hub. But this has been delayed after the outbreak of corona virus. There is already a memorandum of understanding (MoU) between Kenya and Japan for KShs.41.07 billion of which KShs.35.29 billion will be a loan component, while KShs.5.77 billion will be grant.

"Treasury will sign the final print on the funding in the first quarter of this year, upon which the project will be ready for start. The two governments are working with a June 2020 date for ground-breaking," the then Kenya Ports Authority Managing Director Daniel Manduku said.

The first phase SEZ, which is expected to offer a face lift to the coastal city in terms of infrastructure and business is scheduled to be ready by June 2022.

"Japan will finance the basic infrastructure of phase one through a concessional loan of Sh35.29 billion at a rate of 0.1 per cent and grant assistance of Sh5.77 billion," Mr. Manduku said.

Mombasa Governor Hassan Joho and Senator Mohamed Faki are optimistic that the SEZ will help create jobs, increase manufacturing and ultimately change the fortunes of the people of Mombasa.

"The port is very dear to us but I believe that if the SEZ is to happen today, it would employ 10 times what the port currently employs. It our responsibility as leaders to ensure this dream is realised," said Mr. Joho.

"We have to accept this reality and be innovative. We are already working with the national government and a consultant in a bid to see how to fully actualize the free trade area.," Mr Faki said.

Our revitalization plan is slowly taking shape, as we try to steer the city more towards tourism and attractions. That is what Mombasa is known for "
Richard Chacha the County Communications Director

It's no myth, unicorns are found in Kenya

Thanks to our internet penetration, the country's young intelligent workforce is riding the digital wave and creating billion-shilling fledglings

It was just a matter of time before the math stopped making sense for tech companies. In the US, widely perceived to be the home of all technology-related innovations through the work of individuals and companies in Silicon Valley, the writing, it seemed, was on the wall.

From the Wall Street Journal to the Financial Times, predictions had been made, mentioning an end to the incredible wave that tech companies have ridden while solving social problems and creating dollar billionaires along the way. For years, it seemed impossible to recreate the magic of Google, Facebook, Amazon, or eBay.

The ceiling for innovation looked to have been breached, and anything else that came after these hugely popular and massively valuable products would be a rehashing of an existing product.

Then came M-PESA, whose revolutionary success gave birth to a different crop of entrepreneurs driven not by the magic of innovation, but its social good as well. Those who were struggling for clarity before the money transfer service found direction, and the innovators on the verge of giving up got some wind under their wings.

Suddenly, Nairobi transformed into a tech innovation hub, and as the rest of the world rode a fast-breaking wave, Nairobi was getting into its groove, and the beat was not dying off soon.

In October of 2019, the Kenyan tech start-up space got yet another endorsement when the UK Government announced a partnership with Kenyan fintech companies to use technology to increase financial inclusion for low-income and underserved consumers.

> **Amid all these predictions of gloom, the Kenyan space looks to be blooming. Granted, some pioneer companies have come on hard times with some shutting down. But with every company that shuts down, another emerges from the concrete.**

The Lord Mayor of the City of London, Peter Estlin, announced £10 million of UK Aid support towards the Catalyst Fund, during a visit to Nairobi.

"This only affirmed what we had known all along, that the Kenyan tech space is one of the best in the world," Kenya's ICT Cabinet Secretary Joe Mucheru told Venture.

Speaking at the announcement of the funding, the Lord Mayor said: "By forging partnerships across Africa, the UK's financial services sector can turbocharge national economies and empower individuals financially, creating thousands of jobs and enriching lives across the continent."

The Kenyan start-up space has been all about turbo-charging possibilities. Tech publishing company WIRED, values the country's tech hub at $1billon and is home to more than 200 start-ups and firms like IBM, Intel, and Microsoft. These companies are innovating to solve day-to-day problems through tech.

This growth has not come easy.

"The initial days were filled with indecision. Not many people in the government understood the potential that ICT had. And no one wanted to make the decisions that would move the country forward," Health Cabinet Secretary Mutahi Kagwe told Venture. Kagwe served as an ICT minister.

"Those of us who saw the potential in ICT had to disregard old protocols to do what we believed was good for the country."

According to Kagwe, this included passing of relevant laws and sometimes going behind his seniors to get things done.

"There was too much of waiting around. Some of us just decided to get things done when they needed to be done," Kagwe says.

The result of this initial risk-taking is the current tech space that is miles from other African countries in terms of innovation and business worth.

As the Kenyan tech space forges on, all indicators are that it will hold on to its flight path even as the rest of the world slows down, and the industry grapples with company valuations that were unimaginable barely five years ago.

Silicon Valley is struggling to understand the natural growth patterns of unicorns - privately held tech startups that have achieved a valuation of $1 billion or more.

"This term evokes the idea that such a mythical unlikely and improbable valuation had been achieved," writes Martin Kenney and John Zysman in their paper: Unicorns, Cheshire cats, and the new dilemmas of entrepreneurial finance.

British publishing company The Guardian puts a figure to these mythical creatures.

"At the last count, there are more than 300 of them worldwide with a cumulative value of around $1,050bn. The majority are based in a few countries. China, with more than 130, has the largest unicorn population, followed by the US (85), India (20) and the UK (seven)," John Naughton, professor of the public understanding of technology at the Open University and author of From Gutenberg to Zuckerberg: What You Really Need to Know About the Internet, says in an opinion piece for the UK publication.

Amid all these predictions of gloom, the Kenyan space looks to be blooming. Granted, some pioneer companies have come on hard times with some shutting down. But with every company that shuts down, another emerges from the concrete.

"The biggest advantage we have is a young, intelligent population," Kagwe says. "If we tap into this resource and use ICT as a development tool, we will be unstoppable. We must be active participants in the ongoing digital revolution."

An April 2019 report by Partech, an investment platform for tech and digital companies, reported that in 2018, 146 African tech-startups raised a total of $1.1billion in equity through 164 rounds of funding. Kenya led her counterparts attracting $348 million in funding with 44 deals.

> **This only affirmed what we had known all along, that the Kenyan tech space is one of the best in the world."**
> - ICT Cabinet Secretary Joe Mucheru

World Economy disrupted:

How Covid 19 is redefining business continuity planning

It is in difficult times of crisis that soft underbellies are exposed. For many businesses operating in Africa, the Coronavirus pandemic laid bare their supply chains' weakest links.

As governments put in place measures to contain the spread of the virus, closing down their borders, business suffered paralysis.

China – the epicenter of Covid-19 – is a major trading partner for many African economies. In Kenya, one fifth of imports, which include mobile phones, come from the East Asian giant. As such, majority of traders in Kenya are feeling the effects due to the disruption of supply chains.

A survey of the impact of the pandemic on businesses in Kenya by the Kenya Private Sector Alliance (KEPSA) found that two out of three of them has been negatively affected, due to reliance on imports from China. This has disrupted supply chains leading to stock outs, in turn affecting enterprises' ability to service bank loans.

Kenya had 179 confirmed cases (by April 09, 2020). Since the first case was reported in mid-March, the Nairobi Securities Exchange has shed almost 20 percent of its value while the Kenya Shilling sunk to a 15-year low.

Fears of the impact of the virus on the economy led the Central Bank of Kenya, on March 23 2020, to revise the country's 2020 economic growth forecast from an initial estimate of 6.2 percent to 3.4 percent. The last time Kenya registered such a slow growth rate was in 2008 following the post-election violence.

Travel restrictions between Kenya and the rest of the world have also dealt a big blow to the country's tourism industry, with some hotels at the Coast reporting occupancy rates well below 10 percent compared to the normal 75 percent. The horticulture and floriculture sectors have also taken a beating after Europe instituted travel restriction. This has slashed daily flower orders to half for a continent that imports about 70 percent of Kenya's cut flower.


The horticulture and floriculture sectors have also taken a beating after Europe instituted travel restriction. This has slashed daily flower orders to half for a continent that imports about 70 percent of Kenya's cut flower.

The virus is projected to significantly impact growth across Africa. According to the UN Economic Commission for Africa (UNECA), effects of coronavirus could translate into a 1.4 percentage decline in Africa's economic growth for 2020 dealing a further blow to growth that has stagnated at 3.2 per cent.

Effects of the virus on business have been exacerbated by a raft of measures introduced by the Government of Kenya to limit spread of the virus. This includes: closure of bars, limiting restaurants to take-away, suspension of schools and encouraging individuals to work from home. All these, together with the dusk-to-dawn curfew only served to heighten business disruption.

All this has affected consumers. Limited supply of goods risks driving prices up, as the trickle of supplies cannot assuage the huge demand, heightening inflationary pressures. The Competition Authority of Kenya warned retailers and manufacturers against price hikes.

Nonetheless, effects of the virus will take a toll on the economy as enterprises' reduced revenues limit their ability to pay taxes, create jobs and unlock other benefits. The Kenya Association of Manufacturers (KAM) warns that industries could downsize operations, sometimes leading to stock outs and failure to fulfil customer orders. This, UNECA cautions, could translate into job losses as investment slows down and unanticipated spikes in health spending, among other effects of the virus.

This has seen President Uhuru Kenyatta unveil mitigation measures in an attempt to save the economy. This ranged from pay cuts for himself and other senior government officials, tax relief and directives for settling of pending bills. The policy measures are meant to shield businesses and households from effects of the virus.

The decision to grant tax relief for persons earning up to KSh24,000 gross salary as well as reduction of Pay-As-You-Earn from 30 per cent to 25 per cent is meant to increase disposable income in the hands of individuals. The reduction of Value Added Tax from 16 per cent to 14 per cent addresses the cost of living by reducing cost of basic commodities. Vulnerable members of society have additional cover in the form of the appropriated KSh10 billion cash transfers.

Businesses are shielded by the reduced Turnover Tax, slashed from 3 per cent to 1 per cent of revenues; as well as suspension of listing with Credit Reference Bureaus for defaulters. This is meant to ameliorate the effects of the pandemic to keep them afloat and protect jobs and the economy.

Even with these measures, businesses continue to suffer. Local businesses that export to countries in other parts of the world that are on lockdown, as a result of the coronavirus pandemic, have also suffered limited access to markets. KEPSA lists flowers, horticultural produce, tea and coffee, mineral ores, and fruits among exports that are

3.4%

Fears of the impact of the virus on the economy led the Central Bank of Kenya, on March 23 2020, to revise the country's 2020 economic growth forecast from an initial estimate of 6.2 percent to 3.4 percent.

"It is in the interest of African economies and the rest of the world to diversify where they source for goods and help these manufacturing hotspots to thrive,"

US$ 3.66

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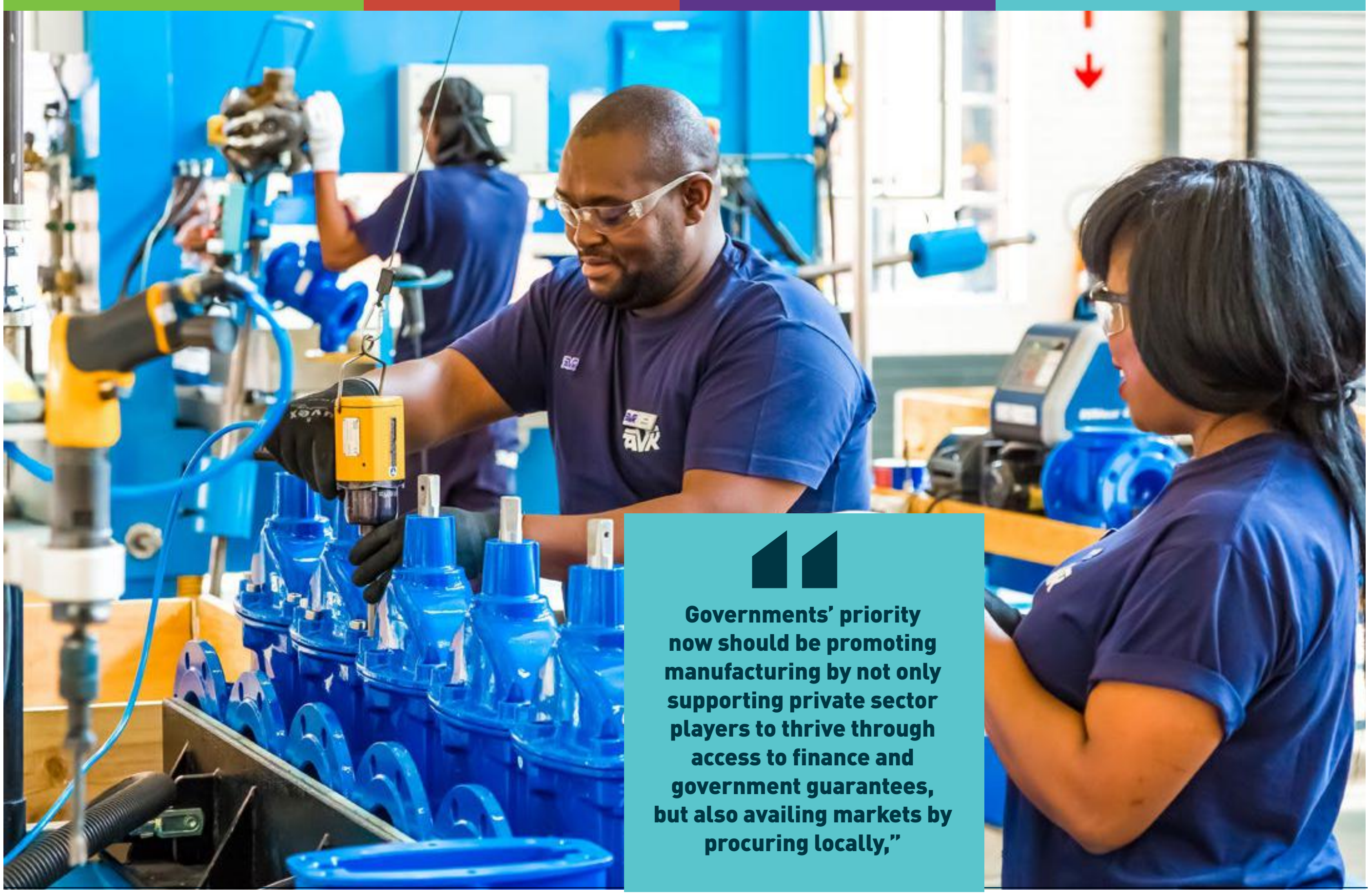


Governments' priority now should be promoting manufacturing by not only supporting private sector players to thrive through access to finance and government guarantees, but also availing markets by procuring locally,"

As it is, growing intra-continental trade will do little to address the challenge to supply chains that the pandemic has brought to the fore. This is limited access to raw material and components for manufacturing, as well as finished goods in certain cases.

- Kenneth Okwaroh, the Executive Director of the African Center of People, Institutions and Societies

Kenneth Okwaroh

likely to be affected the most.

Fears abound that the impact of the virus on Kenya and the rest of the continent could worsen going forward. Tedros Adhanom Ghebreyesus, the director-general of the World Health Organization, in declaring coronavirus a pandemic in March 2020, warned that the number of cases, deaths and affected countries would rise. At the time, the virus had been reported in 114 countries, infecting 118,000 people, out of which 4,300 succumbed.

With the effects of the dreaded virus already being felt across, it brings to the fore lessons that businesses can take away for the future.

Kenneth Okwaroh, the Executive Director of the African Center of People, Institutions and Societies, a Nairobi-based think-tank says that it is time to consider other markets that are emerging as manufacturing centres.

"It is in the interest of African economies and the rest of the world to diversify where they source for goods and help these manufacturing hotspots to thrive," Mr Okwaroh argues.

KEPSA sees an opportunity to promote local industry. Taking Chinese imports into Kenya, for instance, the association states that the lockdown means that US$3.66 billion worth of products may need to be sourced elsewhere or substituted by local production.

"This may be an opportunity for Kenya to harness and grow local industries, supporting existing ones to expand their capacity or incentivizing creation of new industries for import substitution as well as leverage on the regional market (such as the East African Community and African Continental Free Trade Area AFCFTA," KEPSA argues, adding that there is sufficient lead time with vaccine development expected to take not less than two years.

This may be an opportunity for Kenya to harness and grow local industries, supporting existing ones to expand their capacity or incentivizing creation of new industries for import substitution as well as leverage on the regional market"

The association calls for support – including tax breaks, review of taxes and establishing linkages between enterprises and traders to off-take products - to local industries to manufacture import substitutes and cushion the economy from negative effects of Covid-19.

KAM concurs that there is need to enforce local procurement regulations, as well as emphasis on sustainably integrating local and regional value chains to avert such crises in future.

UNECA also sees opportunity for intra-African markets by limiting dependence on external partners, diversifying economies by reducing dependence on fuels and promoting trade.

However, Mr Okwaroh insists that as it is, growing intra-continental trade will do little to address the challenge to supply chains that the pandemic has brought to the fore. This is limited access to raw material and components for manufacturing, as well as finished goods in certain cases.

"What are African countries trading in amongst themselves? Unfortunately, many African countries either trade in the same agricultural produce and oil or goods manufactured from other continents. Is there any African country that produces the kinds of goods that are sourced from China? Governments' priority now should be promoting manufacturing by not only supporting private sector players to thrive through access to finance and government guarantees, but also availing markets by procuring locally," he argues.

For businesses, experts counsel taking time to map out supply networks complete with alternative sources as part of their risk mitigation measures. They could also begin considering outsourcing some of the processes that they have little control over.

To watch the video version of this story please click Here

Coronavirus dampens smartphone dealer's hustle

Steve Mwangi in his office

At the beginning of 2020, Steve Mwangi, who sells mobile phones in Nairobi, was optimistic about the year. The previous one had been generally bad for business. All indications were that it would be better.

That is until coronavirus, which causes Covid-19 – a deadly respiratory disease – struck Wuhan City in China. Like bushfire, the virus spread rapidly across the world, triggering panic and throwing the global economy into a spin.

To contain the spread of the virus that had infected over 170,000 people and killed more than 6,500 people across the world by end of March 2020, tough measures were instituted, with governments putting their countries in complete lockdown.

Steve, who trades as Gadget World, feared for the worst as his stock dwindled. With imports from China slowed down by travel restrictions and lockdown in parts of the country as the Coronavirus pandemic raged, he could not restock his shop. Initially, he sought alternative sources of stock for his shop.

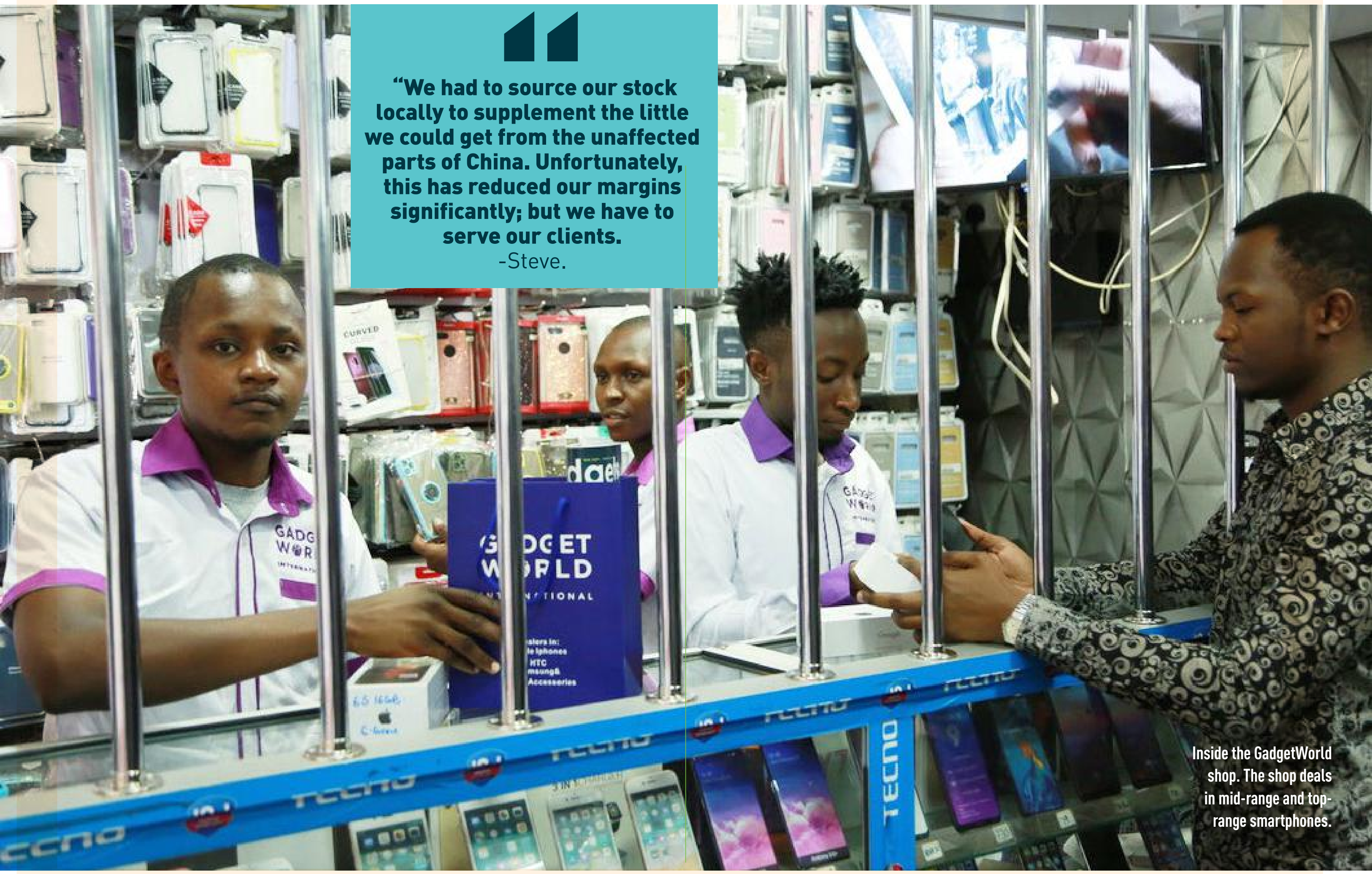
"We had to source our stock locally to supplement the little we could get from the unaffected parts of China. Unfortunately, this has reduced our margins significantly; but we have to serve our clients. Limited access to the Chinese market for stock also means that we now have limited variety of mobile phones and their accessories," says Steve.

Before the pandemic, Steve would order and pay for stock online from Chinese businesses. The goods would then be shipped to him. Not anymore.

"This is going to affect us a lot this year. Even if manufacturing resumed in China today, it will still take time for things to get back to normal," Steve says.

In addition to employing five other young people, the depressed business activity puts him at a precarious position with regard to servicing his loans and meeting other obligations. Other businesses that relied on his shop to purchase smartphones phones and accessories for resale.

Despite the tax relief and cushioning from the banking industry, such micro, small and medium-sized enterprises are staring at a bleak future.



"We had to source our stock locally to supplement the little we could get from the unaffected parts of China. Unfortunately, this has reduced our margins significantly; but we have to serve our clients.
-Steve.

Inside the GadgetWorld shop. The shop deals in mid-range and top-range smartphones.

KCB Elimisha – More than just an education Plan

The other weekend I walked into my brother's house and I found my niece dressed up in her girl's scout uniform. The small girl was excited that her mum had finally bought her a brownie uniform. I told her, how smart she looked in it and I asked her what the Scout motto was – she replied always be prepared.

This got me thinking prepared for what in a world full of uncertainty. One day you have a job the next day you are out of it. You are healthy today and the next day you are staring at the hospital ceiling. You are careful on the road and the next time you know it an accident has occurred that leads to permanent total disability. sometimes the unpreparedness is about you not having resources to educate your son or daughter, who has done so well in school. Mahatma Gandhi once said "the future depends on what we do in the present. That's why we all need to be prepared.

While you can't plan on experiencing many of life's calamities you should plan for them, without the appropriate insurance, a single event such as a major accident can completely wipe out your hard-earned assets. Parents should look for saving and investment products that help them in being prepared to achieve their family's dreams and aspirations.

A financial plan can help one to summarize their current financial situation analyze their financial needs and recommend future financial activities. It is not easy to raise cash once you're diagnosed with a terminal illness. If you get a terminal illness, it may come with huge costs that are hard to absorb.

A parent can buy an education policy that helps them to start saving for their child's education as soon as they are born. It shields them from uncertainty even during times of financial upheaval in the family. In the sad event of the parent's death the policy takes care of his/her dependents. As a matter of fact, if you have a spouse, children or other loved ones who are directly dependent on your income life insurance is a must.

In 2018 KCB insurance agency and liberty insurance partnered and came up with an insurance policy dubbed KCB elimisha. elimisha is the Swahili word for educate. it's not just about parenthood it should be parent good. Parents can choose a comfortable amount they can pay over a longtime usually 5-20 years depending on when the child will be going to school. Premiums are to be paid periodically either monthly, quarterly, semiannually or annual. The payment period is dependent on the parents' preference. parents who have goal and cub accounts could put in an annual standing order to help them meet their premium obligations without a struggle. since annual premiums come with an embedded discount of 16.7%. this translates to paying premium for ten months rather than for 12 months. To put this into perspective instead of paying Kes 5,000 monthly and eventually paying 60,000 per annum, a parent can make annual premium deposits of 50,000 translating to savings of Kes 10,000 annual premium and they will still receive a similar benefit as the policyholder who pays monthly premiums.

The KCB elimisha policy comes with built-in riders that come at no extra-cost. Some of which include:

Maturity benefit -This is the amount of money saved over a period of time together with investment income earned that the insured parent will receive when the policy matures.

> A parent can buy an education policy that helps them to start saving for their child's education as soon as they are born. It shields them from uncertainty even during times of financial upheaval in the family.

Death Benefit -The sum assured will be paid out as a lump sum in the event of untimely demise of the parent as a result of accident or illness.

Permanent total disability cover -This benefit pays a lump sum in the event of incapacity as a result of bodily injury, illness, disease or surgery that results in permanent disability and incapacity of the policyholder to perform their current occupation. Once a claim is made for this condition this benefit will cease but the policy will remain in-force for the remaining benefits until maturity or death whichever occurs first.

Double accident benefit -This benefit provides an additional payment where the death of the insured person occurs as a result of an accident. The policy beneficiary will receive double the sum insured when this rider is selected.

Critical Illness Cover -This benefit pays out 35% of the sum assured on first diagnosis of any one of the following conditions: Cancer, Heart attack, Stroke, Major organ transplant, End stage renal failure, Paraplegia, Coronary artery surgery, Aorta Surgery, Replacement of heart valve. Even after payment of the condition the policy remains in force.

Waiver of premium on retrenchment - In case the insured parent is retrenched from salaried employment, this rider will waive premiums payable for a period of 6 months after retrenchment. Premiums will be waived after 30 days from the date of retrenchment. This enables the parent or guardian ample time to restructure their finances.

Last Expense Benefit -Funeral expense benefit of 10% of the sum assured will be paid out within 48 hours of notification of the death of the insured parent or the death of the child insured (maximum of 2 children covered). Maximum amount payable for this benefit shall be Ksh. 200,000.00 per person.

In addition to these benefits a tax relief of 15 % of the premium paid is offered whenever customers buy a policy of 10 years and above. The maximum tax relief stands at up to a maximum of 5,000 per month or 60,000 per annum. The policy can cover more than one life hence husband and wife can pay a single premium to cover them jointly

Successful people are those who are able to anchor their lives around an overriding vision, a dream that supersedes everything else and then set achievable goals in line with their vision. Like the scouts' motto lets be prepared and let's buy an elimisha policy.

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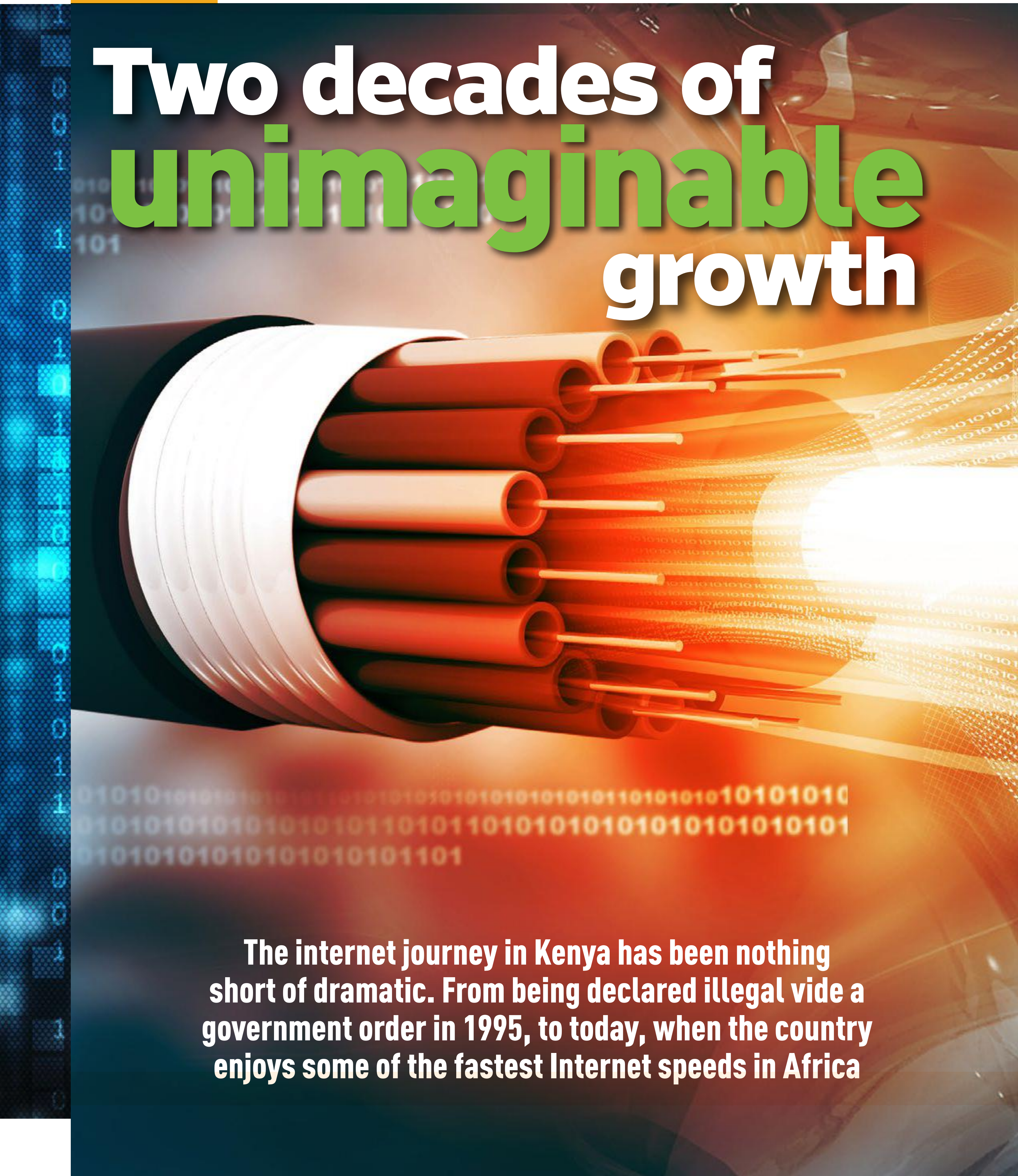
MAIN STORY

The Digital Decade

Two decades of unimaginable growth



The internet journey in Kenya has been nothing short of dramatic. From being declared illegal vide a government order in 1995, to today, when the country enjoys some of the fastest Internet speeds in Africa

In 2008, Kenyans had just realised the revolutionary potential of mobile phones. The country, it seemed, had jumped from slow mail to the mobile phone in a drumbeat, skipping all other steps in between like the fax.

Hardworking men and women left their rural homes to urban centres in search of more economic opportunities could connect with their families back in the villages. Although these were exciting times, Kenyans had hardly scratched the surface of the possibilities that the future had in store for them.

Over the next decade, a digital revolution would move the lives of Kenyans from zero to a hundred, breaking all known communication speed records set in the previous decades mainly because the mobile phone came with something else - the Internet.

The entry of the Internet, though, was not easy. Twenty years ago, Africa was grappling with leadership challenges. Kenya was no different. As the rest of the world embraced the marvels of the Internet, the country was going through another sort of debate.

Multiparty and succession politics for the longest-serving president of the country were in high gear. As such, new ideas were not entirely embraced. Many were challenged. Most, including the Internet, was dismissed.

“The political system saw emerging ICTs as an affront to challenge its leaders’ power and control over information flow. The first efforts to introduce the Internet in Kenya, in 1995, were met with an official rebuff

“One of the key things we did was to exempt mobile devices and computers from taxes. The exemption allowed the masses to afford these gadgets. This also meant that there was a higher demand for the Internet among users,”
-Dr. Bitange Ndemo

through a full-page advertisement by the then Kenya Posts and Telecommunications Corporation (KP&TC), a monopoly state enterprise, declaring that Internet services amounted to resale, and were therefore illegal," reads the book Digital Kenya, An Entrepreneurial Revolution in the Making.

Palgrave Studies of Entrepreneurship in Africa published the book.

Bitange Ndemo, a Professor of Entrepreneurship at the University of Nairobi and former Permanent Secretary for Information and Communications and Tim Weiss, a research fellow and doctoral candidate in the department for Strategic Organisation and Finance at Zeppelin University, Germany, edited the book

In a 1995 government order, the Internet was banned and remained so for the next four years. One could not launch a browser in any public institution. Even universities, a country's innovation engine, stood isolated from the rest of the world.

However, the Internet became the clichéd, unstoppable idea whose time had come. The disruption that came with it was not only revolutionary but disruptive as well.

"Around this time, the Internet landed visibly in Kenya through a company of young Turks called Africa Online and an older-guard company called FORM-Net Africa. One thing that did not happen is the landing of fiber-optic cables on the East African coast," Jimmy Gitonga, Afroshok Media, says in the book.

"The cables went around southern Africa, passing Mauritius and landing in India. Kenya and other Eastern Africa countries would have to rely on expensive satellite Internet connections for another decade."

Although the Internet had landed, there still existed legacy issues. Bottlenecks within government agencies put a handbrake on the Internet speeds. Luckily, though, a pocket of a few well-educated individuals who understood that the future of their country lay in the digital space, pushed to make the Digital Age a possibility.

One of them was Dr. Ndemo, the then PS in the Ministry of Information and Communication.

"One of the key things we did was to exempt mobile devices and computers from taxes. The exemption allowed the masses to afford these gadgets. This also meant that there was a higher demand for the Internet among users," Dr. Ndemo told Venture.

Almost overnight, cybercafés were springing up in almost every street corner. Government offices were holding tutorials for top management on Internet use. Universities were setting funds aside to purchase and connect computers for staff and students.

Those with a slightly higher purchasing power suddenly had a second piece of luggage when they left home; a laptop bag in which lay a treasured property that became a window to the possibilities around the world.

Then, Dr. Ndemo says, they took on what looked then to be another hurdle – the Eastern Africa Submarine Cable System.

"We then set up the East African Marine System (TEAMS) consortium," he says.

TEAMS is a 5,000-km fibre-optic undersea cable that links Kenya's coastal town of Mombasa with Fujairah in the United Arab Emirates. TEAMS was built at a cost of USD 130 million as a joint venture between the government of Kenya and Kenyan operators, who hold 85 percent shares and UAE-based operator Etisalat, with 15 percent.

Construction of the cable began in January 2008 on the Emirates' side and arrived in the Kenyan port city of

5,000 KM

Distance of TEAMS fibre-optic undersea cable that links Kenya's coastal town of Mombasa with Fujairah in the United Arab Emirates.

$130 M

The cost of the joint venture between the government of Kenya and Kenyan operators

October 1, 2009

When the cable first went live for commercial service

> **Fast internet speeds coupled with innovation and a sprinkling of angel funds plus an enabling environment by the government of the day show that there could only be one direction for the country's digital evolution and that the current players in this space can only take the revolution further. Further than those who banned it in 1995 could ever have imagined.**

Mombasa on June 12, 2009. Cable construction was completed in August 2009, and the cable went live for commercial service on October 1, 2009. TEAMS cable connects to the Kenya national fiber backbone network and other major backhaul providers, thus extending the gigabit submarine capacity to the rest of the East African countries: Uganda, Rwanda, Burundi, and Tanzania through cross-border connectivity arrangements.

"This was the game-changer," Bitange says.

As a result, the connectivity not only became cheaper but also opened up an entirely new universe to a generation of Kenyans eager to explore new opportunities.

"The current bandwidths would have been inconceivable two decades ago. In September 1995, Kenyan Internet users shared 32 Kbps to serve the entire country—a far cry from the 1.7 Gbps available 20 years later," the book co-edited by Bitange reads.

From then on, Kenya has claimed her mark on the global stage with the development and successful launches of ageless platforms all built around the Internet.

M-PESA, the revolutionary mobile money transfer service. The platform has evolved from a basic application into a fully-fledged financial service.

Ushahidi, a non-profit technology company, spread over nine countries whose mission is to help marginalised people raise their voice, and those who serve them to listen and respond better took the world.

The iHub, an innovation hub and hackerspace for the technology community in Nairobi that was started in March 2010 by Erik Hersman, a blogger, TED fellow, and entrepreneur, continues to provide the space, ideas and funding opportunities to the Kenyan online community.

The country's Internet growth may have been impressive, but a lot more work needs to be done.

A 2019 World Bank report states that 44% of the urban population has access to the Internet compared to 17% in rural areas. Besides, widespread gaps in necessary digital skills still limit more extensive usage and application of digital tools, and services and gaps in advanced digital skills limit business development.

The report further says that while the Digital Learning Program covers 93.4% public primary schools, secondary schools still lag in access to connectivity, and the curriculum currently fails to offer digital skills as a stand-alone compulsory course.

"Kenya is eager to position itself as a hub for information and communication technologies, e-commerce and digital services," Casey Torgusson, World Bank Senior Digital Specialist and author of the report's special section on Accelerating Kenya's Digital Economy said.

Barely two decades later, Kenya continues to be a treadsetter. Fast internet speeds coupled with innovation and a sprinkling of angel funds plus an enabling environment by the government of the day show that there could only be one direction for the country's digital evolution and that the current players in this space can only take the revolution further. Further than those who banned it in 1995 could ever have imagined.

EDITOR'S NOTE: The Book: Digital Kenya, An Entrepreneurial Revolution in the Making, is an Open Source Resource and was published in 2017.

Technology is the lifeblood of business

Technology's ability to rewrite the business playbook is a well-worn story. The enhancement of efficiency, the greater scale, and fresh unlocked possibilities are often talked about. The only thing that still remains uncertain is its impact in the future.

"Technology is uncertain. The uncertainty lies in how it is rapidly changing and impacts the future of work. This means that businesses and workers must remain adaptable to the rapid changes and uncertain direction that technology will take," says Dr James Wanjagi, part-time senior lecturer at Strathmore Business School.

The last few decades have seen phenomenal technological advancement, significantly transforming business and the general way of life. For business, thanks to technology, virtual meetings are possible, saving on time and money, and engagement with customers has been boosted with automation leading to cost savings. Technology's impact has been felt at home too: home appliances' quality and sophistication keeps improving, and with wider entertainment choices at the disposal of households.

As technology evolves, taking on more capabilities and becoming more accessible, its impact is expected to be felt more, even though the shape and form this will take remains unclear.

"Technology is the future lifeblood of business. It holds the key for organisations to grow revenues, enhance operational efficiency and operate at scale," says Dr Wanjagi.

Thus, the business fraternity has no option but to embrace it as a medium of engaging customers, delivering products and services, streamlining operations and impacting ecosystems positively.

It is expected that the last few decades' momentum will be sustained going forward, as technology becomes accessible to more people, and internet penetration is enhanced. This is further complemented by availability of affordable smartphones, credited with fueling the Internet penetration wave in Kenya, where mobile data accounts for 99.3 per cent of the 52 million total data subscriptions in Kenya, according to the sector statistics from the Communications Authority for July to August 2019. Internet penetration is projected to stay on an upward trajectory.

New sophisticated technologies that could become more available and impact business include: Edge Computing, Internet of Things (IoT), Artificial Intelligence (AI), Practical Blockchain, among others. Through Edge Computing, technology can be brought closer to where it is needed to improve response times and save on bandwidth, such as cloud computing. Technologies such as IoT, AI and Practical Blockchain are already in use by organizations to understand their customers, predict their needs and by extension service them better, faster and efficiently. AI is already widely used in business applications, including automation, data analytics, and natural language processing. Because of the automation aspect of AI, it reduces repetitive or even dangerous tasks.

Existing barriers to technological development are coming down. According to Dr Wanjagi, there is a shift towards less complex technology, such as low code apps, which can be created by developers with little or no experience, using a visual development approach to application development. Using drag-and-drop components through a graphic user interface, non-technical developers can code, cutting on the time it takes on the traditional approach.

However, there is concern about the narrow focus of conversations around technology and its impact on business.

"There is a lot of focus on fin-tech. We have not drilled a lot beyond payment. There are a lot of opportunities waiting to be tapped in areas such as agri-tech, wealth management, digital banking, and renewable energy," says Ali Hussein, a tech entrepreneur.

Automation of different sectors is still in its infancy, says Mr Hussein, and more needs to be done to harness its potential to increase productivity.

This view is supported by Patricia Jumi, Managing Director and Co-founder of GrowthAfrica, an accelerator working with ambitious businesses to increase their chances of success, who argues that more sectors could benefit from productivity, scale and efficiency that comes with deployment of technology.

"In the past, it was thought that technology is just apps, yet so much more can be done and applied in transport, logistics, agriculture, financial services, among other industries," Ms Jumi says.

Even as businesses tap into these fresh opportunities, pundits warn that they also need to remain prepared for unexpected eventualities from the rapid changes in technology.

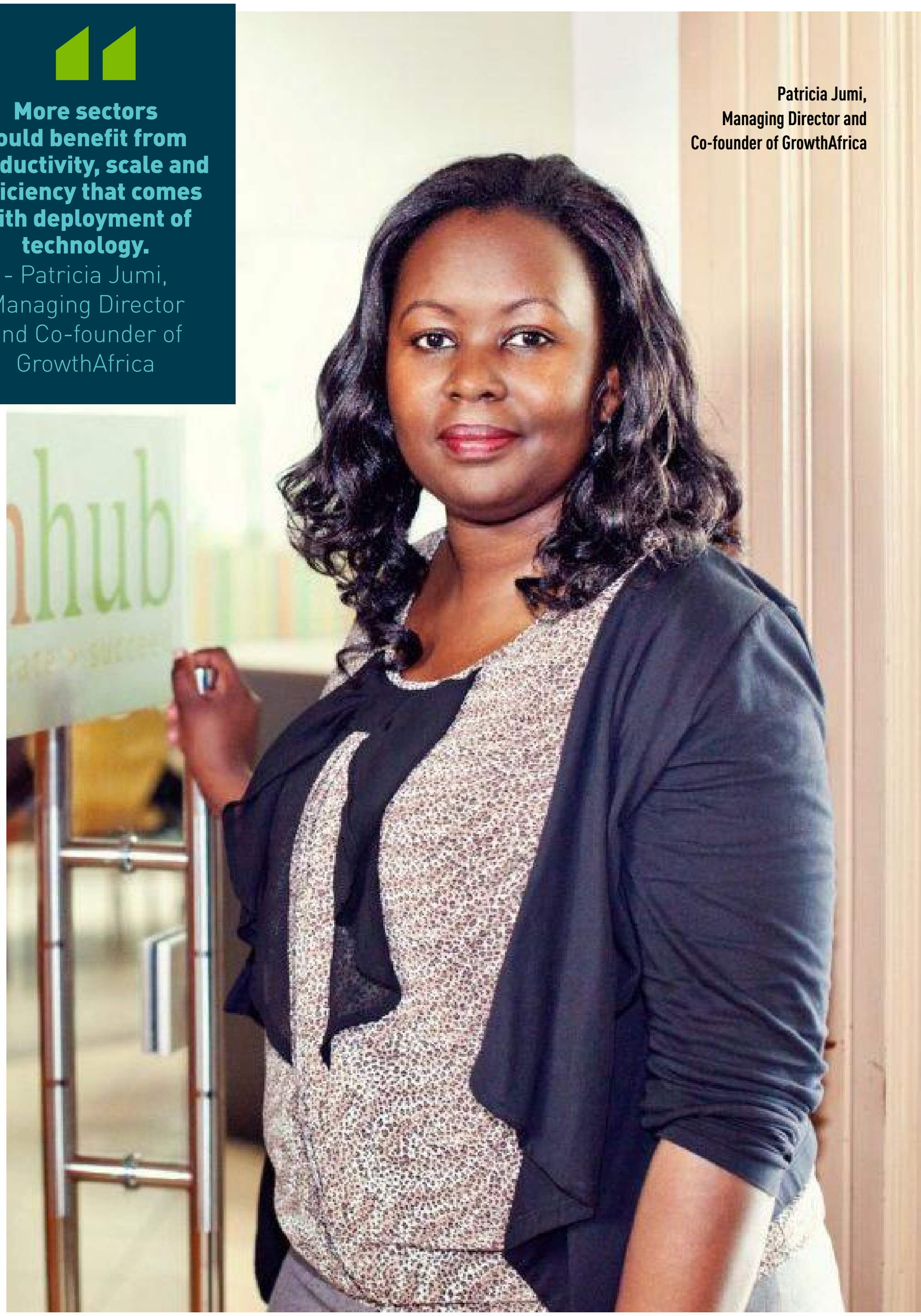
"The technology space is shifting much faster than the market realizes. Businesses have to brace

>>>

themselves for technological changes. Do not sink your feet in the ground so that they can move when they need to," Tonee Ndung'u, a technology entrepreneur, says.

"With the advancement of technology, it is now possible to triangulate pieces of information about customers, to better understand their needs and provide more wholesome solutions and enhance their experience," says Dr Wanjagi.

> **More sectors could benefit from productivity, scale and efficiency that comes with deployment of technology.**
> - Patricia Jumi, Managing Director and Co-founder of GrowthAfrica



Patricia Jumi, Managing Director and Co-founder of GrowthAfrica

Naturally, this will come with issues relating to privacy, particularly for institutions that handle customer data.

"The current technology environment is not properly protected. There are many opportunities for breaches that need to be anticipated and firewalled," says Dr Wanjagi, who adds that there is need for a conducive policy environment to facilitate technology evolution.

He adds: "As a catalyst for development, the government has to be at the forefront in helping technology thrive in the economy because of its great benefits". Absence of policies and negative sentiment regarding certain technologies has been blamed for slowing down adoption.

The don says that industry and the academic fraternity need to have a conversation around opportunities to not only work out ways to leverage technology, but also figure out standards, policy environment and the future.

"Within the change in customer behaviours and perception lies opportunity. Today's customers are looking for personalized service, convenience and the option of paying on the go," says Dr Wanjagi.

The first step towards realizing the benefits of technology is in the change of attitudes to encourage more adoption. This will require better understanding of technologies such as blockchain and cryptocurrency, their value and how to use them in an economy.

In terms of impact of technological development on the marketplace, jobs are expected to be among the casualties.

"Technology will create new jobs and kill others. It is important that parents and guardians do not limit their children's careers since opportunities could arise in the unlikeliest of fields," says Mr Ndung'u.

Ultimately, it is about adaptability. Dr Wanjagi says research is shifting to Adaptability Quotient (AQ). AQ measures a business' ability to deal with unexpected changes in the marketplace, consumer preferences, and technology. This is the mindset that today's businesses require to navigate the technological environment.

Incubating new crop of entrepreneurs

Working for 72 hours straight was not unusual for Kenyan-born Tonee Ndung'u and his Dutch friend Bart Lacroix as they co-founded Nailab, about a decade ago.

Most of their working days were spent making skype calls to a long list of investors from across the world. This was in a dogged attempt at fundraising for the entrepreneurship incubation and acceleration hub – one of the very first in Africa.

Nailab was born as the initial fibre optic cables landed at the Kenyan coast. It came at a time of great optimism and palpable excitement about fresh opportunities that technology would open up.

"Bart and I wanted to create a space where tech-based startups could access business support to try out their ideas at an unprecedented scale. The idea was to bring in companies and accelerate their development," recalls Tonee, who has since handed the reins to current Nailab CEO, Sam Gichuru and moved on to found Kytabu, a textbook subscription app.

400

Number of startups Nailab has Invested besides training another 500.

The inspiration for Nailab was emptiness and a recurring conversation in Kenya about youth unemployment, which always ended with expectation that help would come from outside. Theirs was a desire to deliver a homegrown solution to empower young people to succeed.

"By looking where the future is headed, these hubs can begin to prepare because they have the advantage of being dynamic and flexible."

- Dr James Wanjagi, the Head of Strategy, Innovation and Projects at National Bank of Kenya

About a decade later, Nailab prides itself in having incubated over 70 facilitated mentorship and investment for over 400 startups besides training another 500. It is also the continental partner for the $1 million Africa Netprenuer Prize by Jack Ma Foundation, among other high-profile partnerships. The hub has also won praise and recognition, and increased its footprint beyond Kenyan borders into the rest of Africa.

Incubation hubs like Nailab support enterprises in their early days, backing ideas and transforming them into products and services. There are others like GrowthAfrica that operate as an entrepreneurship accelerator, taking existing businesses to the next level.

GrowthAfrica has been giving a leg up to African businesses since 2002 with the ultimate aim of creating high quality jobs at scale.

"We exist to increase the weight and scope of entrepreneurs' success in Africa. We believe in growing Africa by working with small growing businesses," says Patricia Jumi, the GrowthAfrica Managing Director and Co-founder.

GrowthAfrica, which is headquartered in Nairobi with presence in Uganda, Ethiopia, Zambia and Ethiopia, takes up entrepreneurs for a six-month programme. To qualify, the businesspeople need to have a product, been in existence for two years and generating up to $50,000 in revenues annually.

Ms Jumi says her organization works with entrepreneurs to articulate their vision, analyse gaps, create a growth path and have clarity on customers, the competitive environment, external realities, business needs, project funding and support tools. In addition to opportunities to meet and share with peers, they have access to mentors, professional advice and support system.

So far, Growth Africa has walked the entrepreneurial journey with 224 ventures in agriculture, fintech, renewable energy, among other industries.

Hubs such as Nailab and Growth Africa are closely related to the evolution of the tech startup ecosystem over the last one and a half decade, catalysing its growth, according to Ali Hussein, a tech entrepreneur and investor.

“Increasingly, talent coalesces around hubs. They are the first port of call for young tech and business graduates looking for work. A vibrant and evolving venture capital and angel investor network also exists around hubs, with investors seeking opportunities in Africa stopping by to hunt for a pipeline of new businesses to invest in,” Ali says. There are about 400 hubs in Africa, today, he says, and they are concentrated in Nairobi, Lagos, Cape Town and Johannesburg, with the wave fast spreading to other African cities.

Dr James Wanjagi, the Head of Strategy, Innovation and Projects at National Bank of Kenya says that these hubs are key in building technology of the future.

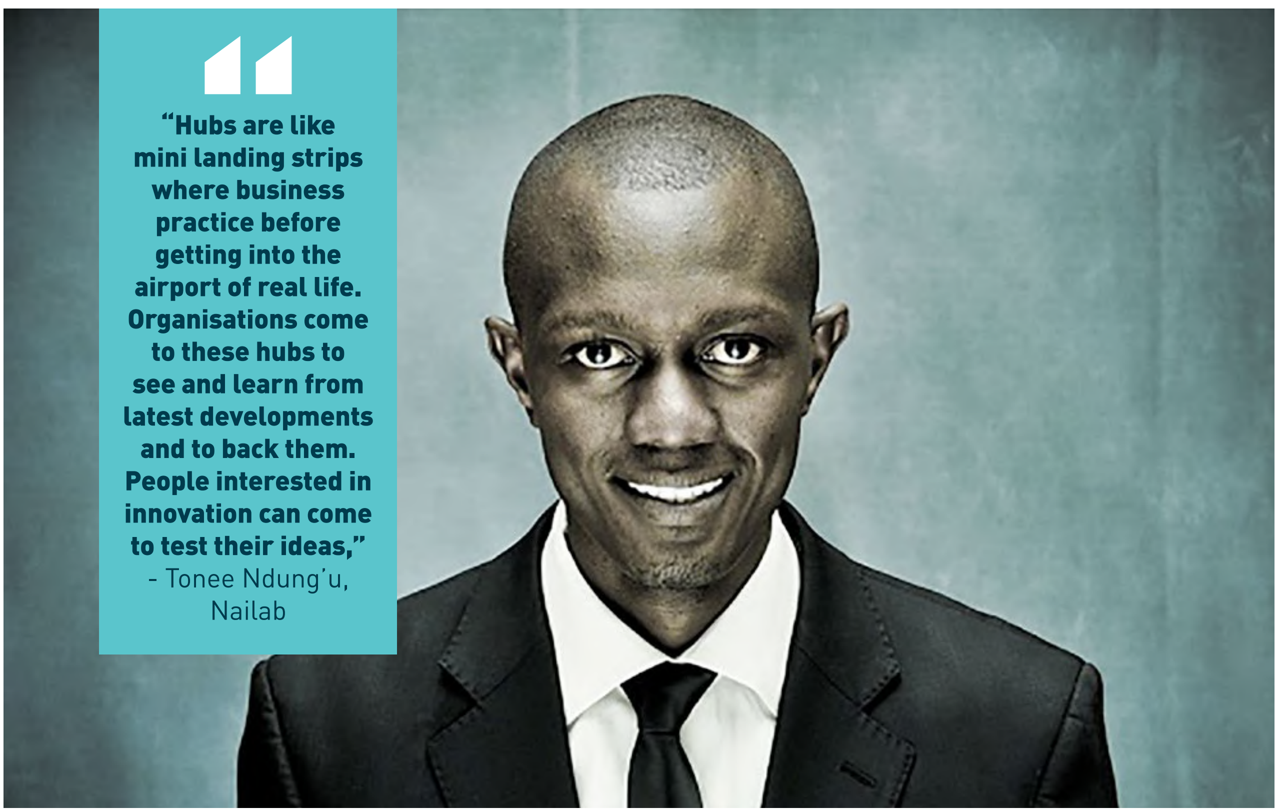
“By looking at the future, these hubs can begin to prepare because they have the advantage of being dynamic and flexible,” adds Dr Wanjagi.

In innovation hubs, Tonee sees sounding boards, a research and development spot that benefits the ecosystem in many ways.

“Hubs are like mini landing strips where business practice before getting into the airport of real life. Organisations come to these hubs to see and learn from latest developments and to back them. People interested in innovation can come to test their ideas,” he says. In them, he sees an opportunity to change the trend in Africa as net recipient of innovations from elsewhere in the world that are replicated to solve local challenges.

Hubs are epicenters of ecosystems that grow with the entrepreneurs and respond to their changes – setting standards and availing advice and mentorship when it is required. It is also a platform for frontier learning of technologies, such as artificial intelligence and blockchain.

“Ideas thrive in environments with like-minded people. It is good when entrepreneurs find a gathering, know others with similar interests and start conversations. Hubs are safe spaces for this. People get to know one another, ideas spark and can find money to turn ideas into a business. They also get to learn important aspects of running a business, such as market research, financial modeling, engaging investors among others,” Tonee says.



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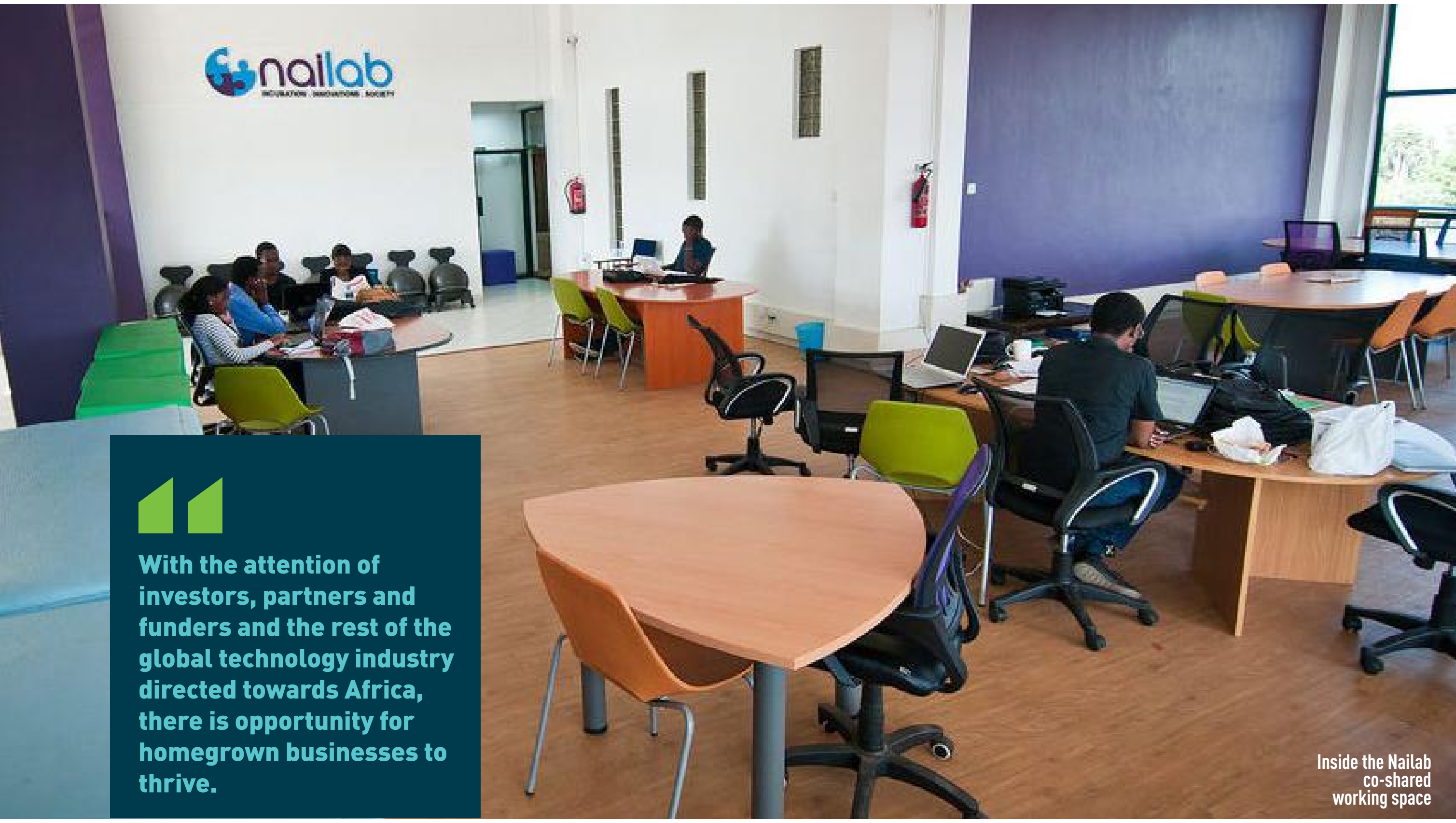

> With the attention of investors, partners and funders and the rest of the global technology industry directed towards Africa, there is opportunity for homegrown businesses to thrive.

Inside the Nailab co-shared working space

Ali concurs that hubs play an important role in enhancing capacity by helping entrepreneurs to think about business models, product and institution building including regulatory and marketing issues.

In fact, Tonee partly attributes the success that met global tech companies like Twitter, Square, Instagram, Facebook, and others founded in universities to communities of like-minded people. Through interactions at hubs, entrepreneurs can spot fresh ideas to pursue or find a way to execute a generic idea.

There are various kinds of hubs depending on entrepreneurs' needs. The roles of hubs are evolving, with some fashioning co-working spaces as they develop business models to ensure their sustainability.

Having started as free spaces for entrepreneurs to work and hangout, some have since discontinued this and started operating as paid-for work spaces.

"It is more of a give-and-take approach. The point is their sustainability going forward, hence the shift in the business model," Ali argues, adding that there is also opportunity to have a healthy mix of local and foreign investors that currently leans heavily on the external. This needs education of local investors to awaken to the opportunity.

Going forward, more opportunities exist that the hubs can take in the journey towards making the entrepreneurial journey lighter.

"Firms can outsource their R&D functions to hubs to allow them to focus on their core mandates," says Tonee, who adds that in an ideal world, every secondary school, college or university has one to cater for the influence of technology in the future job market.

"Disruption is the new normal. The last space that will be disrupted is human output. In future, illiteracy will not be inability to read and write but mobility of professions such that when your job is taken by tech, you get into another," says Tonee.

Despite the many benefits that innovation and incubation hubs bring in facilitating success of entrepreneurs, there are some drawbacks to unleashing their full potential.

"Some young people go to hubs without thinking of what goes into building an enterprise. As a result, they get into a vicious cycle of entrepreneurship competitions and pitches without time to build a business," argues Ali.

Ms Jumi adds that with hubs increasingly working together, it is possible to deliver more value to entrepreneurs jumping from hub to hub, doing the same things with the same people.

With the attention of investors, partners and funders and the rest of the global technology industry directed towards Africa, there is opportunity for homegrown businesses to thrive.

"For an entrepreneur, gut, persistence and resolve are important. You cannot shake when things shake. You have to be okay with failure and have the ability to stay persistent," Tonee says.

To watch the video version of this story please click [Here]

Credit scoring in the digital age

Lending is as old as human civilization.

But the decision on whether to lend or not has always been complex driven by critical factors such as the borrowers' ability to repay, how much to lend, for how long, what interest to apply, and ultimately whether the borrower has any intention of ever paying the debt.

It's a gamble that lenders calculate as risk.

Rural shopkeepers know the customers they lend to by names, characters, families, faith, creed and even family histories.

It's human intelligence at work as the brain works out the five Cs of credit and answers the questions;

- Does the borrower have a distinguished record?
- Does the borrower have the capacity to service the debt?
- Does the borrower have sources of capital?
- Does the borrower have collateral to back their request?
- Can the borrower meet the terms and conditions?

The formula is simple when applied by an individual who lends to another. It becomes complex when an organization or bank is lending, with the levels of complexity rising with the sophistication of the businesses involved.

Credit Info Group Regional Manager for East & Southern Africa Kamau Kunyiha says that in the simplest terms, a credit score is a three-digit integer that represents an individual's probability of default.

"How that score is obtained is by calculating or going through a whole load of data and assessing previous trends to predict future outcomes. Based on that, we look at similar trends that we've seen in the past, which informs what it could look like in the future, and that is represented in a three-digit number. This is purely looking at your repayment data on previous loans and actual loans that an individual may have (and assessing) repayment patterns on those particular loans," said Kunyiha.

The formula has been applied for years.

But with the evolvement of technology and the expanding use of the internet, machines can quickly determine an individual's creditworthiness

The instantaneous rating is made possible by the rise of digital banking, which has revolutionized the way people save and borrow. It creates a digital footprint specific to an individual that can be scientifically analyzed to arrive at a credit score and credit rating and is the balloon that floats mobile lending.

According to a report by GSMA released in end-2019, digital credit demonstrates that mobile money infrastructure can be leveraged to offer life-enhancing financial services to those who were previously excluded from the formal credit market. GSMA is a global organization that represents the interests of mobile operators worldwide.

Slightly over a decade ago, the Central Bank of Kenya and the Kenya Bankers Association established a credit information sharing initiative to strengthen the risk management processes in the country. It also opened the door for the development of non-secured mobile lending, such as what is offered through KCB-M-PESA.

The initial CBK plan was for banks in Kenya to share the negative consumer credit data in a shared data pool.

The vision, however, was for full file reporting— sharing positive and negative credit data that would enable the financial institutions to make a more informed credit decision.

Over the years, the initiative has grown in various fronts. Kenya now boasts of three licensed credit reference bureaus with over 2,000 companies, including commercial banks, microfinance institutions, Saccos, listed companies, leasing company associations, utilities, and fintech reporting their data.

"We have two categories of organizations submitting data to the CRBs. Those institutions mandated by law to submit their data, including Banks and Microfinance institutions and other institutions that are voluntarily reporting the consumer data," says Mr. Job Mariga Credit Information Sharing Kenya Head of Projects and Technical Services.

Lending is an essential element of financial intermediation, which is itself at the heart of an economy's financial architecture. It, therefore, behooves policymakers to continually review the credit market to minimize inefficiencies that hinder faster economic growth.

Non-Performing Loans (NPLs), though declining, remain a concern to the quality of lenders' assets in Kenya's financial sector. Besides, good borrowers have been disadvantaged as they do not enjoy lower interest rates and stringent collateral requirements, as financial institutions cushion themselves against the risk of high Non Performing Assets.

With rapid evolution and innovation in the financial sector, we have witnessed the exploration of mobile-based loans in the country, with over 50 mobile lending Applications in Kenya. Banks have not been left behind in this disruption.

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Today, all the leading Kenyan Banks, including KCB bank Kenya have mobile-based loan products like KCB Mobi and KCB M-PESA that leverages alternative consumer data for credit decision making.

"The emergence of Big Data has provided an opportunity for credit scoring. At KCB Bank, we are in a unique position as we have access to historical consumer data that we have gathered over the years through operations and also alternative data that we have gained through our mobile-based products," Mr. Alex Siboe, KCB Head of Digital Financial Services said. "We can analyze both sources of data into more detail and come up with a statistically-based decision model, subsequently better assessment of risk and favorable terms for the consumers."

Five years after KCB launched the mobile savings and loan, the customer base has grown from four million to 17 million today, helping to deepen financial inclusion in the country exponentially.

Nonetheless, challenges have emerged from reliance on alternative data sources such as data from social media networks. Besides privacy concerns, where consumers are not informed of the data sources used to calculate their credit score, a few savvy consumers strategically construct their social media platforms like Facebook to spruce up their credit quality.

The more significant challenge, however, is lack of a common database where financial institutions, as well as fintechs, lack a common source of live data for decision making. Consumers, especially small borrowers, have taken advantage of this lapse to take up loans from multiple lenders.

A typical scenario, according to the FSD Kenya report, is where individuals have up to five digital loans at the same time.

"Most of the borrowers have a facility with more than one lender, and they end up borrowing from one lender to pay the next one," the report states.

This has led most borrowers into a debt cycle and poverty and is contrary to the overall goal of enhancing financial inclusion and eradicating poverty.

To remedy this situation, KCB Group Chairman Mr. Andrew Wambari Kairu, calls for the development of a common database with live data that can guide lenders to make better-informed credit decisions, whilst protecting borrowers from temptations of over-borrowing.

"Big Data continues to provide an opportunity for greater credit scoring. However, the lack of a common database with live data remains a challenge," Mr. Kairu said. Adding that: "The data we use today is based on hindsight. It does not give the whole story about a consumer's ability to repay a debt."

These challenges have been an outcome of information asymmetry as financial players lack the current data to make more informed credit decisions. On the flip side, serial defaulters have inhibited the growth of credit to the private sector while posing a risk for the financial institutions' especially small digital credit players.

Credit Score 101: Everything you need to know

What is credit?

When it comes to borrowing money, credit is your reputation with lenders for repaying your debts and loans. It refers to your ability to borrow, the amount you can borrow, and whether you can repay these debts and loans.

What is a credit score?

A credit score is a three-digit integer that summarizes information from your credit report, ranging from around 200 to 1,000. A credit scoring model automates the process of evaluating creditworthiness by analysing the data in your credit report to generate a credit score. The higher your score, the less you are perceived as a risky borrower. Credit lenders use your credit score to assist in whether or not they will approve your credit loan and what loan terms and conditions to offer with the loan.

How to Check Your Credit Report and Score

Borrowers are entitled to one free credit report per year from a credit reference bureau. The three credit reference bureaus in Kenya are CreditInfo, Metropol, and TransUnion. Accessing your credit report is important because sometimes they can contain errors that you may be unaware of.

What is a credit report?

A credit report which includes:

- Past loan history
- Current loan history
- Repayment history
- Credit utilisation
- Length of credit history and age

Banks are mandated by law to share loan and credit card information on each and every Kenyan aged 18 and above to credit reference bureaus, regardless of whether or not they have taken a loan. In addition to banks, some mobile lending applications, microfinancing banks, and SACCOs also share loan information with the credit reference bureaus. All the data received from these institutions are compiled into your credit report.

What is a good score?

A good score is subjective to the lender, but with a good track record of successful borrowing and repaying, you stand a better chance of getting approved for loans, qualifying for better interest rates, and your credit score is likely to increase and improve over time. However, missing three loan payments over the course of 90 days will have you listed in the credit reference bureaus as a loan defaulter, which hurts your credit score and can work against you when applying for a loan. As a borrower, you are entitled to dispute any information you may find inaccurate to your preferred credit reference bureau.

The power behind KCB agency banking

Home grown tech company is the brains behind the software that turned merchant shops into banks


KCB
BANK AGENT
NGATAT
airtel
top up here
Orange
MA YAO
SHOP.

In the dark cloud that was Zimbabwe's financial crisis of 2010, a Kenyan fintech enterprise spotted a silver lining.

An investor was setting up a bank in the southern Africa country, and needed innovative ways of handling cash. Inflation was so high in the country that buying a loaf of bread required a wheelbarrow-load of cash.

"Our solution was to eliminate cash and instead load it on a card. We presented this idea to the new bank and bagged the job," recalls Robert Maoga, the Executive Director of Riverbank Solutions.

Securing this deal was the easier part. Delivering the solution was tougher, considering the tight timelines. The solution had to be up and running in two years. The firm sourced it from Iran. It worked. Customers no longer needed to haul loads of cash to the shop, making it one of the first digital banks in the region.

Buoyed by the success in Zimbabwe, Eric and his colleagues returned home in 2013 to seek more opportunities. Initially, the going was tough with business reducing to a trickle.

"It got so bad that we considered laying off staff, but they refused to go. They chose to stick with us to build a solution. We obliged and offered to at least ensure there was a meal for them in the office," he says.

This continued until another opportunity came. Saccos were setting up Front Office Service Activities (FOSAs) where tellers could dispense cash to members and accept deposits.

Riverbank Solutions developed a card payments system for South Imenti Sacco and Meru Teachers' Sacco, supported by a back-end for managing transactions, and mobile solution.

"This system worked very well. However, many decision makers at the Saccos were elderly and struggled to grasp technology. We had to weave in analogies of cows and goats into our presentations to secure their buy in," Eric recalls.

A breakthrough finally came when South Imenti Sacco requested for more capabilities to be built into the system. This led to the country's first ever biometric ATM card. Now, farmers only needed their fingerprints to access money.

It is around this time that Riverbank Solutions encountered KCB. The bank was bidding for the government's cash transfer programme to the poor and vulnerable in society and needed a technology partner.

"We did not get this assignment but KCB spotted potential in us. This was our turning point. It marked the beginning of a fruitful multi-faceted relationship to date, propelling us into the league of elite fintechs in the region. It has also opened doors for us," explains Eric. With the bank's support, the firm has managed to overcome many organisations' preference for technology from abroad.

He credits KCB for exponential growth they have enjoyed. With only six employees when the partnership was mooted, the firm now employs 100 people and has pride of place amongst the region's top software firms.

In 2013, KCB tasked Riverbank Solutions to build an agency banking solution. The brief then was to structure and build a quick, convenient, low-cost payment solution.

"In the past, going to the bank was an event because it was often some distance away. People felt the need to dress up. All this was eliminated by the agency network, bringing the bank's services next door," Eric explains.

Riverbank Solutions' ambition is powering transactions and facilitating movement of payments from one point to another. In delivering this, KCB Group has been more than just a client, even provided financing.

In developing the agency banking solution, it needed financing to ship in hardware, including Point of Sale (PoS) terminals. The cutting edge system was eventually delivered where customers can make cash deposits and withdrawals, pay bills and schools fees, among other transactions. KCB Group has since replicated the system in its Rwanda and Burundi subsidiaries.

Today, KCB Group has 18,812 agents and merchants, out of which 193 and 185 agents are in Rwanda and Burundi respectively. In its 2019 half-year results, KCB Group valued the agency banking transactions at KSh135 billion, a 34 per cent growth in volumes.

The agency banking assignment set the stage for Riverbank Solutions' next big thing. As the devolved government took root in Kenya, counties needed support in collecting revenues. This led the firm to partner with KCB in developing a digitalized revenue management solution. It is already in use in 12 counties, including: Kiambu, Kajiado, Nakuru, Kericho, Baringo, Kisii, Nyamira and Homa Bay.

"Of all the partnerships that the firm has struck with the bank, Inua Jamii - a social protection programme by Ministry of Labour and Social Protection - has been the most impactful. Under this initiative more than one million orphans and vulnerable children, elderly individuals and people with disability receive KSh4,000 cash transfer every two months.

KSh135 billion

Value of the agency banking transactions

18,812

Number of agents and merchants that KCB Group has

Of all the partnerships that the firm has struck with the bank, Inua Jamii - a social protection programme by Ministry of Labour and Social Protection - has been the most impactful. Under this initiative more than one million orphans and vulnerable children, elderly individuals and people with disability receive KShs.4,000 cash transfer every two months.

Riverbank Solutions has had a foray in student financing too, partnering with the Higher Education Loans Board (HELB), KCB and other banks to roll out a student smart card solution. Now, instead of having funds credited to their accounts, HELB loan beneficiaries have value loaded on their cards for use in paying for food, accommodation and other costs of upkeep.

In delivering these solutions, the firm prioritizes impact in society, beyond creating job opportunities and meeting business objectives.

"We are keen on doing business with a purpose, which we call capitalism 2.0. All our solutions serve a greater societal purpose. Take the agency banking solution, for instance, every PoS terminal creates a job in the community and provides a livelihood, besides facilitating business. It has also driven financial inclusion in rural areas and given dignity to the less fortunate," he explains.

This pursuit for purpose has seen the firm deliberately recruit young, fresh innovative graduates, reserving up to eight slots every year.

Going forward, it sees opportunity in technological evolution that is unlocking fresh opportunities.

"Technology is becoming faceless. Solutions are being delivered without being present and we are seeing payments coming together with social networking, as in the case of Facebook and Libra. That is the future," he says. This is the inspiration behind his firm's latest development – Ganji, a mobile application for payments. The app facilitates direct payment of bills from anywhere in the world, sending money to many as well as contributions to investment groups. The plan is to integrate it with social networks.

To watch the video version of this story please click here: Here

Robert Maoga, the Executive Director of Riverbank Solutions.

Mass transport in a digital age

Mark Maina, whose company won the tender to produce electronic driving licences, says digital tools hold the key to transforming the critical sector

Mark Maina, Chief Operating Officer

The chaotic Kenyan transport industry often keeps Mark Maina awake, thinking up how technology could bring some order.

This prompted the Chief Operating Officer at PesaPrint lead his team in developing and rolling out one innovation after the other. His current technology solution is, perhaps the firm's most impactful yet – producing the electronic driving licence cards being rolled out by the National Transport and Safety Authority (NTSA).

This feat, Mark says, puts Kenya on the frontline when it comes to leveraging technological developments. It extends the digital disruption to the transport sector.

The electronic driving license merges physical and biometric details of applicants and links it to holders' mobile numbers to authenticate identity and limit need for human intervention. The electronic driving license (eDL) cards will eventually be used for payments, such as instant fines.

The project has catapulted the firm into one of the few providers of secure identity documents.

To ensure timely delivery of eDLs that conform to international standards, PesaPrint has set up a fully equipped a state-of-the-art technology hub within NTSA premises. National Bank of Kenya is their banking partner.

Eventually, the firm hopes to put up an end-to-end card manufacturing plant to produce the eDLs. PesaPrint is nurturing local techie talent in readiness for this. This has seen it roll out an initiative to incubate developers and engineers - which has drawn huge interest - attracting over 3,000 applications in just two days.

"We want to create jobs and build a knowledge base locally. Since it is already working here, we can easily export it to other parts of Africa. This is who we are at the core – a wholly owned Kenyan company driven by African values," Mark says.

The story of PesaPrint dates back to 2012. The firm was birthed as mobile money took root in Kenya, and was drawn into applying it in the transport sector. Besides its Nairobi base, PesaPrint has a developers' hub in Mombasa. From these two bases, the firm's cast of developers, engineers and other professionals allows them to handle business for clients scattered across East African.

"We have digitized many aspects of life, except the transport sector that is still chaotic. This is because of the heavy human involvement, from manning traffic to administration of fines to offenders. This is the motivation for us to revolutionise and digitize the sector," Mark explains.

This has had the firm slog through the long torturous journey of developing solutions that benefit the transport industry.

"Developing tech solutions is a steep curve, from understanding the challenge to creating an appropriate solution before eventually going to market," says Mark.

In 2014, PesaPrint took a stab at providing a cashless system on which commuters on public transport could pay their fares. This was at the height of a government-led attempt at transitioning to a convenient cash-lite payment system for public transport.

There were launches with lots of razzmatazz, statements of hope and revolution, but the project ran out of steam as the privately-run public transport system had a preference for cash over cards. Matatu conductors were keener on cash than walking along the aisles with machines while owners never seemed to care.

Although PesaPrint's Metro Card was interoperable with cards and mobile money with a fleet management feature to boot, PesaPrint had to abandon the project.

This has not been the only disappointment they have encountered. The biggest challenge that it has grappled with is regulation, which lags behind the rapidly evolving technology. Often, it has seemed like a rat race, with technology moving on by the time regulation attempts to catch up. This has been complicated by technology's borderless nature.

To address this, Mark sees an opportunity for constant engagement with different players in the industry to move together in compliance with the law. It requires a nimble industry to deliver the dreams that he has for PesaPrint – to export technology to the rest of Africa.

"The Kenyan population, just as in Africa, is young and is projected to grow younger. We model our business on this insight," Mark says. With the huge optimism about Africa's prospects, the PesaPrint executive says, it is incumbent upon Africans to take control of this future.

"We need to make it easier for people and goods to move by bringing down barriers. It should be easier to travel within the continent. Today, getting visas to travel to other countries takes time, communication is expensive and sometimes, one has to fly to Europe to connect back into the continent. This has to change by developing homegrown solutions," he says.

Even with eyes trained on the rest of the continent, Mark still sees opportunity to further create products that address homegrown problems. The firm has identified opportunity in taking KYC (Know Your Customer) a notch higher to KYM (Know Your Machine), which entails authenticating users of equipment.

"In a few years, we hope to fully digitize the transport sector in Kenya using technology end-to-end without any manual intervention," the PesaPrint COO says.

He attributes a big part of the firm's growth to unrelenting support and partnership from KCB Group.

"When we decided to partner with KCB, we were keen on a partner that not only had scale, but one who understands business and technology. Just like us, KCB is keen on expanding its African footprint, making it a perfect partner," he explains.

"Customer satisfaction is our biggest measure of success. Once we achieve it, we are confident that everything else will fall in place," he says.

Econet: Connecting Burundi to the world

In the space of a few years, Econet Wireless has carved a niche for itself as the leading telecommunications firm in Burundi, with a knack for being first to market in product and service development.

With a subscriber base of slightly over three million, the company is now firmly entrenched as the fastest growing telecommunications firm in the country, spreading its tentacles across the entire width and breadth of Burundi.

"We are not only a market leader in terms of market share but we are also the torchbearers in terms of the innovative products that we have pushed in this market," says Nepias Njarawaza, the Managing Director of Econet Burundi.

The company is wholly owned by Econet Wireless, one of Africa's fastest growing telecommunications, media and technology firm, with a presence in 15 countries in Africa, Middle East and even in Europe. The firm is owned by Strive Masiyiwa, a serial entrepreneur from Zimbabwe.

What has driven the firm's rapid ascent to the top in Burundi is its approach to innovation, scanning the landscape for opportunities and coming up with products and services that suit the market.

"Innovation is basically in our DNA. It is a key driver for staying at the top as a telco. It's what drives our strategy here in Burundi," says Njarawaza adding that the firm has gone all out to ensure they are first in the market with a new bouquet of products.

The firm was the first to introduce mobile money in Burundi, a product that saw a quick uptake showing that there was a huge demand for it.

Econet Burundi also launched a platform – known as Sasai – that allows customers to borrow on the mobile platform.

"We were the first to launch this kind of social payment platform in Africa," says Njarawaza with pride. The platform combines paying and charging functionalities. He adds that in the telecommunication industry, "if you don't move fast, you find that you become obsolete. It is an industry that is extremely fluid."

"We are always looking at how we can leverage technology to grow the business. Always exploring new technologies and how we can tap that to make it easier for people to tap into technology to make their lives easier."

The company is going beyond the traditional offerings from a technology company by focusing on convergence, which allows for multiple services to be offered on the mobile platform.

The company has introduced the first insurance product that can be bought via the mobile platform, once again setting the standards in this nascent market. In a nutshell, customers can now buy insurance from the comfort of their homes.

"Even though mobile telephony remains low in Burundi – at about 40 percent – we are aiming at driving insurance uptake from the current less than one percent of the population to more than ten percent in the medium term. It is possible through the mobile platform," says Njarawaza.

This is not a far-fetched dream: Econet covers all the 40 provinces of Burundi and therefore the infrastructure exists for efficiently rolling out novel products such as insurance.

I am proud of the people we work with. We have a professional and motivated workforce. We believe that what must be done should be done that what can't be done must be done,"
-Njarawaza

Njarawaza says that although the country lacks a good country-wide infrastructure network, the company is determined to continue bringing in more people into the fold in terms of mobile penetration.

"In areas where there is no electricity, we are forced to use generators to power our base stations which pushes up operational costs. This has been a major hindrance in rolling out our services," says Njarawaza.

According to Njarawaza, the company has 250 employees on its payroll and employs another 10,000 indirectly.

"I am very proud of the people we work with. We have a professional and motivated workforce. We believe that what must be done should be done that what can't be done must be done," says Njarawaza philosophically.

He adds that Econet has partnered with KCB Burundi in a relationship that has been mutually beneficial ad has contributed to the rapid growth of the company.

"They (KCB) have been very responsive in funding the business. Other local financial institutions were having problems funding capital expansion projects because their financing is short term. With KCB, they have a longer term tenure which allows for capital intensive projects to be rolled out," said Njarawaza.

He added that KCB was instrumental in funding the firm's expansion of the data network expansion that will allow for commercial coverage in the city.

With the entry of telecommunications firms in the financial space, there have been fears that the pie that was jealously guarded by financial institutions is slowly being gnawed away by telecommunication companies. Nothing could be further from the truth, according to Njarawaza.

"I would consider this kind of thing myopic thinking. Forward thinking banks have embraced telecommunications because they have seen an opportunity for working together and growing the cake. Banks that stick to the traditional way of doing business will one day find themselves out of business," says Njarawaza.

Pay-as-you-go solar lights up rural homes

Technology that combines solar technology and mobile payments is allowing M-KOPA to take clean and affordable electricity to Kenyans

Kenya has made tremendous progress in the energy sector. According to the World Bank, the total electricity access rate stands at 75 per cent from both grid and off grid solutions. However, a quarter of Kenyans still lack access to electricity.

This is despite government's efforts to take electricity to every home in Kenya through the last mile project.

The reality, however, is that alternative innovations are needed in order to achieve universal access to electricity by 2022. This is crucial if the country is to achieve the milestone it set for itself in the Vision 2030 plan.

Private sector players are playing a critical role by offering alternative and affordable sources of energy. M-KOPA Solar, which was founded in 2010, has been providing affordable clean solar energy to low income households and small businesses.

Thanks to mobile technology, M-KOPA Solar is enabling hundreds of people to replace kerosene, batteries, firewood and candles with safe and reliable lighting in their homes.

The company sells solar power systems that contain

M-KOPA is a trailblazer in many aspects. We were the first company to put a SIM card into a solar home system. M-KOPA was also the first energy company in Kenya to offer pay-as-you-go solar power TVs. We continue to push the boundaries on how technology can be applied to improve the lives of our customers,"
- Jesse More, Chief Executive Officer

800,000

Number of units that have been sold. Additionally, more than 140,000 M-KOPA customers generate income through phone charging services, hosting movie screens or using solar energy for their businesses.

a solar panel, a rechargeable radio, a control unit with lithium battery designed to last at least four years, four LED bulbs, adaptors for charging a phone, and LED torch.

The company was founded by Jesse Moore, Chief Executive Officer and Nick Hughes, Chief Product Officer. Previously the two worked at telecommunication firms – Hughes at Vodafone and Moore at GSMA Development Fund. When they came together, their one desire was to create a product that would solve a problem especially for the rural poor. Since they both had experience with mobile technology, it only followed that their creation would ride on the power of mobile technology.

"M-KOPA is a trailblazer in many aspects. We were the first company to put a SIM card into a solar home system. M-KOPA was also the first energy company in Kenya to offer pay-as-you-go solar power TVs. We continue to push the boundaries on how technology can be applied to improve the lives of our customers," says Moore.

To acquire the M-KOPA system, customers pay an initial deposit of KShs.2,999 and daily payments of KShs.50 for up to one year. After payment is complete, the customer owns the unit.

So far, nearly 800,000 units have been sold. Additionally, more than 140,000 M-KOPA customers generate income through phone charging services, hosting movie screens or using solar energy for their businesses. Not only is M-KOPA economically uplifting the lives of Kenyans, it is also having a positive impact on climate change mitigation. According to Moore, over 1.7 million metric tons of Co2 and black carbon will be displaced over the life of M-KOPA devices that have already been sold. Moore estimates that more than three million people in the 800,000 connected dwellings have access to clean and affordable energy.

Through the solar units, M-KOPA is helping the country attain the Sustainable Development Goals (SDGs). Other than Affordable and Clean Energy (Goal 7), the company is also responding to No Poverty (Goal 1), Good Health and Wellbeing (Goal 3), Quality Education (Goal 4), Decent Work and Economic Growth (Goal 8), Industry, Innovation and Infrastructure (Goal 9), Responsible Consumption and Production (Goal 12) and Climate Action (Goal 13).

"The impact was not to be a by-product of our operations. It was to be absolutely core to the proposition that we take to millions of people daily," Moore says adding: "At the end of 2018, M-KOPA crossed a major commercial milestone by becoming EBITDA positive at a group level, and profitable in Kenya (our largest market). While we have more to accomplish commercially, crossing over these milestones shows that it is possible to positively impact millions of lives while running a sound business."

M-KOPA is replicating the success in Ghana, Uganda and Tanzania, and with mobile money growing fast in the financial innovation space, Moore says the model will be replicated in other African countries.

The CEO also says that although its main target was rural off grid homes, the company is increasingly seeing demand from urban and/or peri urban areas with irregular supply of electricity.

Like with most companies, M-KOPA faced a few challenges. They were the first company to use SIM cards in solar equipment, which made them pioneers in the field, but with no other organization to look up to.

"We were the first company to put a SIM card into a solar home system and we continue to push the boundaries on how technology can be applied to improve the lives of our customers. The fact that the idea was new meant that there was no other organization that we could look up to. We had to learn as we grew. We are happy that now we have become an essential service for many customers who simply cannot afford to purchase power and appliances outright.," says Moore

Tech boom taking hold of Rwanda

According to two tech CEOs, the country has barely scratched the surface with regards to the full potential of technology

Like has happened in the rest of the world, Rwanda has benefitted greatly from the rapid advances in information, communication and technology that have happened over the past 10 years.

From her vantage point at Comza, whose Airtime Credit Service has made it one of the biggest micro-lenders in Africa, Keza Bunyenyezi has seen and experienced the benefits of the progress.

Keza is one of the founders of Comza, which operates out of Kigali and has a presence in 25 countries across Africa, Middle East and Asia, working with telecommunication companies to provide airtime on credit.

Technology has enabled companies like Comza to grow and to provide services that connect people locally and across boundaries, with businesses also enjoying the ability to communicate with ease.

For Keza, the best example of this benefit is Irembo, the Rwanda government website that gives citizens access to 88 government services, more than a quarter of which can be paid for using mobile money transfer accessible via USSD.

"I actually sympathise with regulators who come into contact with technology. If you recall, Central Banks struggled with mobile money when it came. The regulator is having to keep up with the technology because it's changing so fast," she said in an interview.

She adds: "The regulators are doing their best to come up with policies to regulate ICT."

For Desire Ruhinguka, Senior Manager in Marketing Operations at MTN Rwanda, one of the biggest trends he has observed over the last 10 years is the reduction in the length of time it takes to develop a product and take it to the market.

"We used to spend weeks or even months, to take a product to the market but due to advances in technology, we take less time," he said in an interview.

Product development retains the essential stages, from understanding the customers' needs, conceptualising the product and then taking the product to the market, but the tools for creating the products have been improving.

Approvals are done using a centralised IT platform, which reduces the time it takes for the back and forth between the parties involved, and which also improves the time it takes to get the product to the market.

"Products that used to need the IT department to develop can be put together by a product manager," he said, and this makes it easier for the person to fit the product to what the market needs.

Advances in Artificial Intelligence and Big Data gives telecommunication providers like MTN Rwanda more insights into their customers' needs and behaviours, which is basically what drives their purchase decisions.

"The service we offer on top of traditional services is growing," said Desire, adding, "We are competing in another space. As mobile operators, we are moving from a core business provider, meaning voice and data, into a digital service provider."

With the insights gleaned from the customers, said Desire, MTN Rwanda has introduced services such as gaming and videos on demand. "Ten or 15 years ago, that demand didn't exist," said Desire.

He sees the trend growing towards digital financial services and the Internet of Things, which enables development of connected homes, workspaces and intelligent cars.

With the growth comes the big challenge for telecos to keep updating their technology capabilities.

"The pace of change is increasing when it comes to new technologies, new solutions and all this requires a lot of investments. On the other side, the customer or the consumer doesn't necessarily change their willingness to pay," said Desire.

I actually sympathise with regulators who come into contact with technology. If you recall, Central Banks struggled with mobile money when it came. The regulator is having to keep up with the technology because it's changing so fast"

\- Keza Bunyenyezi

This provides a challenge to the provider who have to decide on whether to invest in the latest technology without a guarantee that the customer will be willing, or even able, to pay for the service.

This has certainly been the case in the rollout of the different levels of mobile phone services.

While telecommunication providers had time to recoup their investments in the early stages, as it took 20 years to move from 1G to 2G and then to 3G in 10 years or less but less than five years to 4G in an evolution that has been so fast that companies have barely have time to recoup their investment.

This has been felt in 4G rollout, said Desire, as companies have not finished rolling it across their markets, and 5G is already calling.

"If you have to follow that development, there'll be a big loss when it comes to that investment and you can't justify that investment," he said.

With 4G, Desire says, there is still a large number of their customers who are yet to acquire smartphones and other devices with the capacity to use that data.

Rwanda has not been left behind in the global trend towards greater data privacy and companies like MTN Rwanda and Comza have to keep upgrading systems to the latest versions to cope with security threats, keep educating customers, collaborate with regulators to put in place frameworks to ensure safety, security and privacy.

For the future, Keza sees great opportunities coming up in e-commerce and fintech combined with the effect of the African Continental Free Trade Area (AfCFTA) agreement. The agreement would make it possible for all member states of the African Union to trade freely and covers a market of more than 1.2 billion people. It is set to be operational in July 2020.

Rwanda, Uganda, Kenya and Ethiopia are among the countries that have ratified the agreement, which would create the largest free trade area since the formation of the World Trade Organisation.

It will also expose more African countries to African companies and help them spread their impact, she says, and governments should help local IT companies develop products from their people.

"There are fully capable companies on the continent who can provide solutions to some of the pressing challenges facing citizens. We understand our challenges better. We even have the skills and developed capacities to provide services at a global standard," she said.

To watch the video version of this story please click [Here]

The making of a tech giant

In just 10 years, entrepreneur has managed to grow his company from an outfit operating from a hired computer in a cyber café into a multi-million-shilling enterprise

Danson Muchemi's name precedes him everywhere he goes. In just 10 years, he has managed to grow his company from an outfit operating from a hired computer in a cyber café to a multi-million-shilling enterprise that employs more than 100 people and operates in half a dozen countries across Africa.

Now, from his 12th floor corner office with a view of a city that has built him over the years, he thinks the time might be right for him to pull back from his labour of love and trust someone else with his baby.

"There's just so much you can do as a founder of a business," Muchemi says. "In a few years, I will hand over this dream to someone else. The company needs a different set of hands...another pair of eyes to look at our dream."

His company, JamboPay, a digital financial solutions firm will be turning 11 this year. As the firm gets into teenage-hood, Muchemi says that bringing the company up has handed him his fair share of lessons, some of which he will hold close to his heart forever.

Like many entrepreneurs who came before him, the urge to create and sell things started early in life.

"In primary school, I would breed and sell rabbits to my neighbours," Muchemi says.

At that time, he did not know that fate had already set him on a lifelong path.

When he got to university to pursue a BSC Information Technology course, he still didn't abandon business.

While there, Muchemi leased out several tuck shops within campus from the main students' body, Kenyatta University Students Association where he sold basic goods to the student population.

However, those who went to school with him remember Muchemi for something else. While in second year, he started out a business that saw him digitize lecture notes for various courses and sell these off in floppy disks to students who missed class for one reason or another.

This business was a hit, the size of his market, only second to the population of Kenya's oldest university, The University of Nairobi. The possibilities for this seemed endless.

But then he ran into his first hurdle while on full speed. A fire happened.

"There was a riot in campus and the students' centre, where I operated my business from, was burnt to the ground," he says. "I lost everything. For the first time in my life I felt hopeless."

The head start he had worked so hard for had gone up in smoke in one night.

"I thought about formal employment for a while, but opted to stay the course."

He couldn't get himself into starting the campus business again - too much baggage - so he moved on to something else.

In 2009, Africa's tech space was awash with possibilities, and at the centre of these was the role technology would play in solving everyday problems for the hundreds of millions of people on the continent.

Somewhere in a stuffy cyber cafe on the ground floor of Nairobi's View Park Towers, a fresh out of school Muchemi was dreaming up ways to solve some of these problems.

"I started JamboPay at a cyber," Muchemi, now in a well cut dark blue suit, a fitting cotton shirt and a power tie says.

Behind him are rows of trophies that sit proudly on a window ledge. Occasionally, he glances at them like a warrior would his battle scars.

"I rented one computer for Sh4,500 per month. This catered for use of their Internet and their computer," he remembers. "I figured that all I needed was a computer, Internet connection and a desk."

Three months later, he rented a second computer. By this time, he had convinced a friend from college to join him on this audacious journey.

"On the sixth month we occupied the entire cyber and even moved to the next office."

JamboPay never moved out of the cyber, it occupied it, and

By the time we turn 22 we will be across Africa. I expect that by then we will be listed in multiple markets and we will be playing a bigger role in digital financial inclusion.”

-Dason Muchemi

Danson Muchemi - CEO JamboPay

then some more, occupying the entire 12th floor.

When Muchemi speaks, his journey into FinTech and entrepreneurship sounds like one lined with ladders that allowed him to move from one level to another.

Yet a closer look at the company shows that most of the time it took more than a leap of faith to get the company going. He calls this ‘jumping into darkness’ with the hope that you do not land on any sharp objects.

This has worked. At least sometimes. Most of the times, though the company landed on a bed of nails.

“It has not been an easy. We did not get revenue for a very long time. The first revenue we got was from training a tenant within the building on basic computer skills. That was our first cheque of KShs.25,000.”

Then there were the long periods of self-doubt. He says he would occasionally call the number on his business card just to find out if the telephone number listed was operational.

“I must have given out 1,000 business cards before we ever got a call,” Muchemi laughs.

Now he can afford a laugh, a luxury he couldn’t afford when as a young man he tried to convince established companies whose directors were his grandfather’s age to trust them with their money.

“We collect money on behalf of people and this needs a lot of trust,” he says, a particularly daunting challenge for a pioneering company headed by a young person. There were always sneers. So JamboPay went out of its way to move potential clients from doubt to belief.

“The first thing we did was to ensure our paperwork was in order. From licensing to recommendations and everything in between. This was our first level of trust,” he says.

Next was the product.

“We made sure whatever we were offering was peerless. We offered it to our first clients at no cost.”

This, he says, helped them build their portfolio and walk to their clients’ rivals and demand top dollar for the same job.

“If you provide a good service you are halfway there,” he says.

A decade later Muchemi is still motivated to come to work every day. He is still almost compulsive in what he believes JamboPay ought to achieve in his life time.

“The is still so much to do. As a company, we have only achieved 10 percent of our objectives, he says.

Founders are known to see things only they can see. Sometimes they may not even see the path or trajectory that the business needs to follow to get there. Founders are big-picture guys. They are the lets-go-conquer-the-world type. Muchemi is no different.

“There is an entire continent to be conquered. There are so many lives to impact,” he says animatedly.

Behind him, Nairobi traffic is piling up. It is rush hour. The skies are fast turning grey.

He looks out at the ant-like cars 12 floors below us queuing up to go home.

“By the time we turn 22 we will be across Africa. I expect that by then we will be listed in multiple markets and we will be playing a bigger role in digital financial inclusion.”

He is not seeing the cars. You can almost bet that at that very moment, Muchemi sees himself at the floor of the Kigali Stock Exchange, ringing the bell to signify the listing of JamboPay.

Then Kampala. Then Accra. Then Dakar. Then the rest of the world. A universe away from the rabbits that set him on the entrepreneurship path.

Dream that turned into million-shilling venture

Hillary Shoo runs a successful business venture. His passion for entrepreneurship started in his youth. After completing a degree in Economics, he opened an agro vet business in his hometown- Mwenge, Dar es Salaam in 1999.

Twenty years later, this small shop has morphed into Hill Group, a holding company that runs three successful business ventures. Shoo runs his business together with his wife and they have employed over 600 people.

The holding group focuses on three main areas: Production of animal feeds, manufacture and distribution of polypropylene woven bags, and production and distribution bottled drinking water.

The group headquarters and factories are located in the area of Mapinga, Bagamoyo.

Although Shoo is a picture of as success, his entrepreneurial journey hasn't been easy. He encountered numerous challenges, such as, lack of capital, but was able to surmount them.

Other than the agro-vet, he owned a water trucking lorry, which he used to sell clean water. However, the business was not sustainable. He decided to concentrate his efforts on the agro-vet and he started producing animal feed. He did that from a 'kiosk' small shop and as demand for his product grew so did his business. "Once you know exactly what you want, and are prepared to do whatever it takes, then success becomes inevitable," he says.

To reduce packaging costs, he decided to start making his own polypropylene woven bags to package the feed. By this time, Shoo had moved his business from the kiosk to land he had acquired in Mapinga.

He started by digging a borehole to have enough water for use and he decided to sell the surplus. It couldn't have been more perfect, Shoo could expand the group's operations and earn more revenue without having to move from his current location.

Shoo hired a team of experts to manage the water manufacturing, bottling, and distribution process so that he could put his attention on making strategic decisions.

"Automation is at the centre of our business. I had to carry research online and also visit other countries to learn what the best machines would be and how they would enable us to do better."

Today the three businesses are running successfully, and Shoo believes that the future is bright and there is still more that he will accomplish. "Whatever you are selling, first think about what need your good or service is fulfilling, not how much you will make out of it," advises Shoo.

Shoo says his entrepreneurial journey offered him valuable lesson.

"This experience has taught me three lessons. First, never give up because failure isn't an option. Two, find the right financial partners, lucky for us we have KCB Bank Tanzania. And third, always give back to the community," says Shaw.

What next? "We want to set up a recycling plant to enable us clean the water we use in our manufacturing processes."

Automation is at the centre of our business. I had to carry research online and also visit other countries to learn what the best machines would be and how they would enable us to do better
- Hillary Shoo

Hillary Shoo - Managing Director - Hill Packaging Co Ltd

Distribution trucks outside the water fatory

How we made it in a post-conflict environment

Doing business in post-conflict zones is no mean feat. Conflict leads to infrastructure degradation as transport links and other major infrastructure, financial institutions, and communication networks that are vital for every country's economic development are often targeted.

Coupled with the absence of functioning markets, unpredictable regulatory environment, currency volatility, lack of security and displaced populations, operating a business in such environments in countries emerging out of the ruins of war, is usually no mean feat. The situation is even more fluid when you're a foreign-based Telecommunication company with ambitions to provide network coverage across an expansive Country like South Sudan.

Globally, companies tend to eschew investments in such zones, as the physical and financial risks are viewed as outweighing the benefits of such high-risk venues. But not the MTN Group.

"One of our strengths as a brand has always been our ability to operate in emerging markets and some of the challenging environments," says Ms. Lily Zondo MTN South Sudan Acting Chief Executive Officer.

"Because of digitization, we see huge demands for data in offices and also amongst the population. We have positioned ourselves to take these opportunities to provide stable internet to the economy, supporting both the private and public sectors,"
-Ms. Lily Zondo MTN South Sudan Acting Chief Executive Officer.

"For years, we have demonstrated our resilience and ability to make it in very tough environments. South Sudan was no different."

"We believe things can only get better. it is a vibrant economy with great potentials, and having been here during some of the challenging times we are confident of the future."

In 2009, South Africa-based telecommunication Company— MTN Group— acquired the license to build and expand its network in Africa's newest frontier market. MTN South Sudan was subsequently born in 2010, joining Zain, which had operated in the hitherto unified Sudan.

The company established a footprint in South Sudan and began to establish communication towers across the country helping to connect citizens.

MTN was among the first corporates to set up shop in post-independence South Sudan.

Today, things have changed. MTN no longer just provide voice and text services. The company is focused on enabling South Sudan into the future.

"We have evolved from a network provider to a solutions provider and a partnership enabler. MTN now focuses on connecting people, enterprises and businesses using technology," says Ms. Zondo.

"We are always innovating to meet the current and future needs of our customers. Our bouquet of products and services including enterprise business unit have elevated has to the apex of the industry."

As a partnership enabler, MTN is playing a critical role in South Sudan's economy. Mobile penetration in the country is increasing with several businesses also establishing footprints in major towns across the country.

"Because of digitization, we see huge demand for data in offices and also amongst the population. We have positioned ourselves to take these opportunities to provide stable internet to the economy, supporting both the private and public sectors," Ms. Zondo says.

As it heads to the future, MTN has ambitions of entering the Fintech space. The company is set to roll out mobile money products to enable seamless transfer of money amongst the over 1 million customers.

At the Group level, MTN already has mobile money services in different jurisdictions with success in neighboring Uganda.

"South Sudan has demonstrated an appetite for mobile money transfer services. The financial market is just emerging in this country, we are confident that with mobile money services, we will help enhance financial inclusion," Ms. Zondo says.

Driven by the mantra that 'wherever you are you should experience MTN', Ms Zondo says that the Group is committed to expand its regional footprint in the continent from the current 22 jurisdictions to setting operations in other countries. It particularly has an interest in the Ethiopian market as part of driving MTN without boundaries agenda that involves seamless integration across the continent.

We continue to leverage on our regional agenda; borrowing best practices, people, and systems as we explore unchartered territories, Ms Zondo says.

This plan has successfully been deployed in countries like South Sudan.

In regard to the regulatory environment in South Sudan, MTN has continued to work closely with the regulator to foster the growth of the telecommunication sector to the benefit of all the stakeholders including customers.

"Just like in all our other jurisdictions, we work closely with the National Communications Authority— our primary regulator and other related government agencies to ensure we offer affordable and good quality services to our customers," Ms. Zondo said.

As the internet evolves, privacy has been a global concern, with corporates entrusted with the responsibility of protecting the customer's data and information.

In South Sudan, however, privacy is not yet a big issue, however, MTN adheres to the best practices borrowing from experiences from other markets.

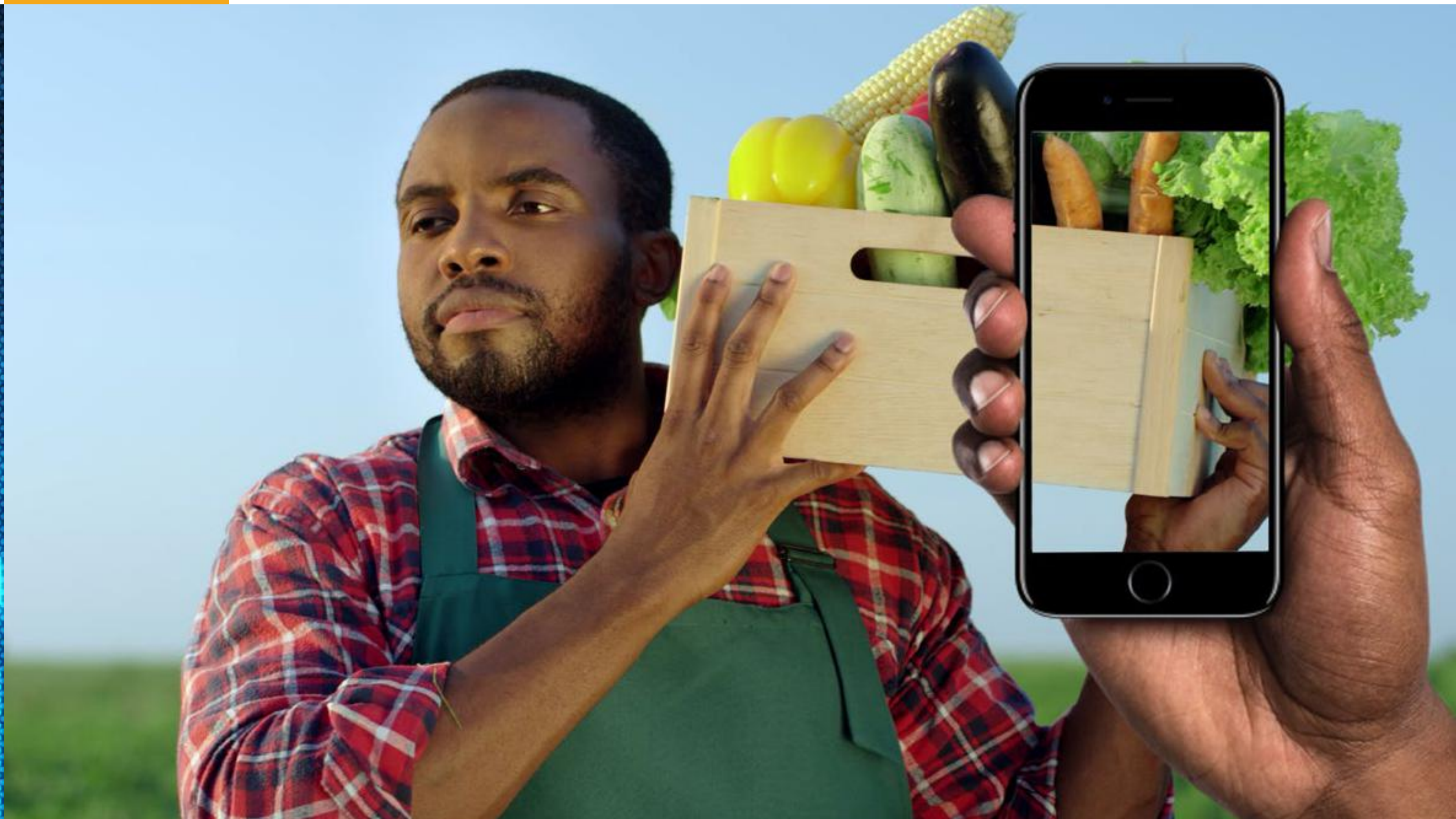
Ms. Zondo subscribes to the feminism agenda and a strong believer in mentorship as a defined route to empowering the girl child. She believes that women in positions of responsibility have to do more to elevate the girl child.

"We are making great efforts and strides to bring more women into positions of leadership and also to the telecommunications industry," Ms. Zondo said.

The Company is committed to roll-out graduate management trainee and mentorship program targeted at developing the next level of professionals.

"We have identified high potentials individuals within our current workforce that we will fast-track to ensure more women and local South Sudanese take up more leadership positions," Ms. Zondo said.

With the recent signing of the peace accord in South Sudan, the business community is optimistic about a more vibrant market. For MTN, the improved business environment will enable them to scale operations and offerings to the benefit of all.



Rise of the platform economy

This consists of a triangular relationship between three parties using the Internet to connect individuals and facilitating digital interactions between them

The small-scale farmer in Kenya has rarely had a break. They work on the farm themselves or with their family and when their produce is ready, it finds its way to the market via the hands of a broker who makes a killing by buying it at the lowest possible price.

In 2014, Peter Njonjo and Grant Brooke established Twiga Foods, which sources quality fresh and processed food from farmers and processors, keeps it in pack houses, and then delivers it to vendors.

On a typical day for its suppliers in Nkubu, Meru County, for example, Twiga's employees will be visiting farms, examining bananas and noting potential harvests as an army of other employees harvests, weighs and packs produce in another area.

Its structures for sourcing fresh produce aside, Twiga's strengths are the instant, transparent, convenient and fair manner in which it makes payments straight to farmers and to their mobile phones or bank accounts.

The company has made great strides from when it was set up in 2014: it employs 500 people directly, works with 15,000 farmers and supplies, directly, 5,000 kiosks and the fresh produce vendors commonly known as mama mboga.

"We are not perfect, it's still our early days," Mr Njonjo recently told members of the Kenya Private Sector Alliance, "and I believe that through entrepreneurship, we have a solution to uplift Kenya."

Twiga is among companies in Kenya that run on the platform economy, using advances in Information, Communication and Technology to create better relationships with their suppliers and vendors.

Using financial technology, the firm is able to eliminate the traditional, and mostly exploitative broker and to pay farmers directly. The farmers are also able to tell how much produce has been picked from their farmers and can tell when the payment is due and how much they will get.

The transparency and convenience that the company boasts have been some of the hallmarks of the businesses that operate on the platform economy in Kenya.

With the taxi hailing apps like Uber and Little Cab, there is transparency in knowing the fare before the ride starts and the convenience, in the major cities and towns where they operate, of hailing them from any location.

Airbnb offers homeowners and investors an opportunity to hire out their living spaces without having to go through an agent, and tourists the chance to select the type of temporary home they would like at a price that fits their pocket.

This seemingly simple idea is a complex phenomenon, according to a report by Deloitte published in 2018, and it is significantly disrupting the general concept of 'normal jobs'.

The platform economy consists of a triangular relationship between three parties using the Internet to connect individuals and facilitating digital interactions between them, says Deloitte.

The parties in the triangular relationship are: the platform, the worker and the customer.

"It is the job of the platform to connect people with demand (the customer) to people that provide supply (the worker)," says Deloitte.

The businesses from it range from platforms providing services (Uber and Airbnb), products (Amazon and Jumia), to payments (Paypal) and to software development.

Kenya's economy has also digitized at a fairly good pace, says John Walubengo, a lecturer at the Faculty of Computing and IT at Multimedia University.

Mr Walubengo cites the provision of e-government services such as eTax, eCitizen, Huduma, private sector initiatives such as M-PESA, eBanking and Jumia as some of the developments that have given impetus for the digital economy to thrive.

He cites telecommunication companies, the Fintech companies offering digital loans, the taxi-hailing services, e-commerce sites and the services offered by Kenya Power to buy electricity tokens easily as some of the successes.

Driven by the fast Internet that came with the connection to the international fibre network through The East African Marine Systems cable, Kenya has also established itself as the Silicon Savannah.

It's not just a catchphrase as Kenya was ranked second in Africa and 77th in the world in the Global Innovation Index of 2019.

Kenya did well in four of the seven variables - institutions, market sophistication, business sophistication, and creative outputs - which were found to be above the average of the lower middle-income group.

The report identifies Kenya's weakness as lack of innovation infrastructure and human capital and research, and the country performs better in Innovation Outputs than Inputs.

"The Global Innovation Index seems to support my view that whereas Kenya is innovating, most of its patents may belong to outsiders rather than indigenous Kenyans," says Mr Walubengo.

Twiga is among companies in Kenya that run on the platform economy, using advances in Information, Communication and Technology to create better relationships with their suppliers and vendors.
Using financial technology, the firm is able to eliminate the traditional, and mostly exploitative broker and to pay farmers directly.

Peter Njonjo is Co-Founder and CEO of Twiga Foods.

In 2019, the Kenyan government provoked a debate on the taxation of the digital economy with the proposal in the Finance Bill to have businesses pay a three per cent tax on digital income.

This would have affected non-resident big tech companies like Uber, Airbnb and Amazon, but the Kenya Revenue Authority has been hamstrung by the fact that the regulations to make that possible have not been developed. There would also need to be collaboration between governments so that the companies are made to declare their revenues per country in order for the taxation to apply.

It has, in the meantime, sparked a debate that is not likely to go away soon.

Mr Walubengo is of the view that the digital tax is unavoidable as most economies are moving online, but the regimes would need to be designed to suit the country and have in mind the fact that Kenya might not have the same leverage as more developed countries.

"Specifically, we must avoid cut-and-paste regimes such as France taxing Google so we try and do the same. Google will simply ignore our small markets, while they cannot avoid the French market," he says.

Like everything else in tech, the platform economy will one day be obsolete as advancements happen, says Mr Walubengo, and that will likely be due to blockchain technology, which would remove the need to have a centralized actor owning the platform that connects different markets at a fee.

This is what distributed ledgers provide for, says the lecturer, and the next big innovation will be about who gets to deliver a free video streaming service like YouTube, a free social media ecosystem like Facebook and a place to shop online and have the shopping delivered to your doorstep like Amazon, without a centralised actor.

In Kenya, that would be a means to connect farmers directly to vendors.

Fintech startup that is deepening financial inclusion

Uganda's EzeeMoney provides services such as money transfers, agency banking, purchase of airtime, bill payment and collection, and tracking solutions for businesses

Richard Mwami, Group CEO of EzeeMoney

The financial technology industry has transformed the financial services market.

No one understands this better than Richard Mwami, Group CEO of EzeeMoney, a mobile money service provider that for eight years now, has uplifted the livelihoods of millions in Uganda.

EzeeMoney, which was founded in May 2012 and officially launched in January 2013, was established to address the financial challenges faced by low income customers who do not have bank accounts.

The platform provides services such as money transfers, agency banking, purchase of airtime, bill payment and collection, and tracking solutions for businesses.

For years, EzeeMoney has been empowering SMEs by recruiting agents (small business owners) who have a point of sale terminal and who see the value in earning an extra shilling.

"The real value we bring to the agents is in the ability to drive traffic to their shops. The business may not be making a lot for the agent but when people go to buy airtime they are able to know and probably buy the goods or services the agent may have," says Richard.

"As of September last year, EzeeMoney had 3,800 agents serving close to 3,000, 000 people in a month," says Richard. The technology company has employed about 6,000 people directly and indirectly, which goes a long way in addressing joblessness in Uganda.

Fintechs have rapidly made their way into the lives of SMEs and are gradually changing how micro-entrepreneurs conduct their business. Thanks to financial technology, small business owners can now opt not to go the conventional way to get loans to start/stock, run or scale their business.

"Fintechs are nimble, small outfits which can make quick decisions and create products and services that speak to their customers. There are customers who do not know what a banking hall looks like and are not interested. These are the same people who save their

> "The real value we bring to the agents is in the ability to drive traffic to their shops. The business may not be making a lot for the agent but when people go to buy airtime they are able to know and probably buy the goods or services the agent may have."
> -Richard.

EzeeMoney Uganda team

money in an EzeeMoney Card and we have close to 200,000 customers like these, and that is a bigger number than some of the banks we have in this market," he adds.

Despite the success, Richard is cognizant of the fact that the partnership between banks and fintechs is crucial to the future of banking. He says partnership will ensure they develop new products and services for their customers.

This makes sense given one entity holds the purse strings while the other has the idea.

"We do things banks and telecoms can't, but we also know we don't have the financial muscle to take them on, so we cleverly work to co-exist. For example on telecoms we extend cash in and cash out. With banks we extend our points to agency banking. When banks come looking for agents we already have over 3,000 agents. This means we can collaborate with the bank directly and share in the little commission there could be," he says.

He adds: "Banks need to think innovatively around fintechs because the more we grow, the more working capital we need. There is need for partnership because when we grow together, we earn together and we build together."

EzeeMoney operates in Uganda, Kenya, and Tanzania, and also has a presence in Zambia and Zimbabwe, Mozambique.

With a growing number of customers, Richard reckons then, that big data is the next big thing in fintech.

"The information we collect from our customers is going to enable businesses understand the trends. I have 3,000,000 customers, what more can I get out of them? What analytics can I get that will enable us to come up with appropriate strategies and products to address them?" he poses.

To watch the video version of this story please click Here

Where the Angels stopped to admire the view

The wooden cabins are simply known as Angels' View: It is where the angels, on a flight to wherever angels fly to, made an impromptu stop to admire the beauty of one of their God's creation - the Great Rift Valley - that stretches as far as the eye can see. The view was so compelling for the Angels that they camped at the site for a couple of days before proceeding on their peripatetic ways. At least that's the myth the cabins' owner propagates.

The Great Rift Valley by itself is a thing of beauty, especially if you are viewing it from an elevated position. This natural phenomenon is punctuated by numerous lakes, starting with Lake Turkana to Nakuru, Elementaita, Baringo, Bogoria and Magadi among others.

The cabins that can accommodate up to ten people, are perched on a hilly cliff, providing a vista that looks like a painting by the famed Michelangelo. The view stretches for miles. The sunset if gorgeous. And if you look through the telescope, you can pick out the flamingos and pelican that have made Lake Elementaita famous.

From the balcony, one also gets a good view of the Sleeping Warrior, otherwise known as a Delamere's nose, because of the uncanny resemblance to a sleeping mummy. Complete with a head, chin, nose, neck and torso.

Far into the misty distance is the outline of the Mau ranges while nearer is Lion Hill which is situated within Lake Nakuru National Park. The twinkling lights of Nakuru town are clearly visible at night. It is a view that one never gets tired of.

The self-contained cabins ooze luxury while at the same time has a rustic feel to it. The main cabin comprises of a large sitting area and a bedroom in the attic, which enjoys unparalleled views of the rift. Every so often, a goods train chugs along in the distance, perhaps the only noise you will hear when you are ensconced in the cabin.

The self-catering facility has attracted a lot of interest from tourists who love their tranquility and are averse to the crowds associated with hotels. However, in case you would like to take a swim or enjoy fine dining, the cabins are within striking distance of the newly opened Lake Elementaita Mountain Lodge, a five star hotel that also has a commanding view of the escarpment. There is also horse riding from a neighbouring stable, or you could just take a hike around the area if you are so inclined. Alternatively, if you are of a sedentary disposition, you can just grab one of the many hammocks, hang it on any of the many trees and snooze away.

According to the owner, the building was a labour of love. It took about two years to complete and for it to retain the authentic feel, it was necessary for the cabins to made of wood. The cabin is accessible from the Nakuru/ Nairobi highway, a couple of kilometres off the highway on all-weather murram road.

If you want to get away from it all, and reconnect with your soul, Angels View is the place to be.

If you want to get away from it all, and reconnect with your soul, Angels View is the place to be.

View of Lake Elementaita from the cabin

Cabin living room area

Outside of the cabin

Conquering dreaded hill

Hiking enthusiast shares her experience scaling the Elephant Hill at the Aberdares

Hikers climbing the hill

Most hiking enthusiasts will tell you this – The Elephant Hill sufficiently prepares you for an even mammoth trek up Mount Kenya, Mount Kilimanjaro and the likes. Therefore, it is recommended to start with this before any other major hiking expedition.

A few months ago, I decided to take on the challenge of the infamous Elephant Hill situated in the southern end of the Aberdare Ranges, 90 km north of Nairobi.

I began my journey to the Aberdares at about 6:30a.m. on a Sunday. You could see that the early morning fog loomed, blanketing everything in a thick white veil. It smothered every building and every tree at the base, swallowing distant objects, including the cars ahead of us.

As we approached our destination, the temperature dropped significantly. The cold that had seemed mild at first, now numbed our faces and chilled our fingers. All I could think about was, 'What have I got myself into?'

I arrived at Njabini Forest Station at about 9a.m. This is the starting point.

In order to climb the hill, you must be accompanied by a certified ranger at a cost of KShs.3,000.

So we – myself and other hiking enthusiasts - began our hike at about 9:30am after clearing all forest charges.

The route up so far, seemed tolerable. We maintained a good pace, steady breathing and walked in groups. It took about an hour before we could get to our first resting point.

After a few minutes of re-energizing our bodies with water and energy-packed snacks, the journey up the thick expansive forest continued. We passed through a canopy of towering bamboos where the struggle began.

The place was picturesque; albeit tainted by the thick mud that clung to my shoes and soaked into my socks. Unlike myself who wore ordinary sport shoes, most hikers wore hiking boots which made it easier for them to trudge through.

Despite it all, I soldiered on and maneuvered through this section with sodden feet. I came all this way. I can't give up now!

As we continued the hike, the path narrowed and became steeper, making us pause several times to catch our breath and sip our water. Temperatures continued to drop and at some point, it rained hailstones. Thank God I had my raincoat!

Two to three hours later, we got to the final stretch where the climb was particularly steep and full of rocks. This section was relatively easier for me as it was curved into a stairway.

Before we know it, we reached the second highest peak known as Mount Kinangop at 3,906 metres (12, 815 ft). This was it for me.

I stood on top of one of the rocks and raised my arms in victory. I did it. I really did. I felt on top of the world.

The view up there was magnificent! This adventure and beauty awakened a desire in my heart to never stop what I love - exploring our beautiful country.

As we waited for everyone else to get to the top, we took pictures and meditated. There is a sacredness here that surpasses everyday fears and trepidations.

I could feel the breath of God and hear the beauty of His creations. What a breathtaking view!

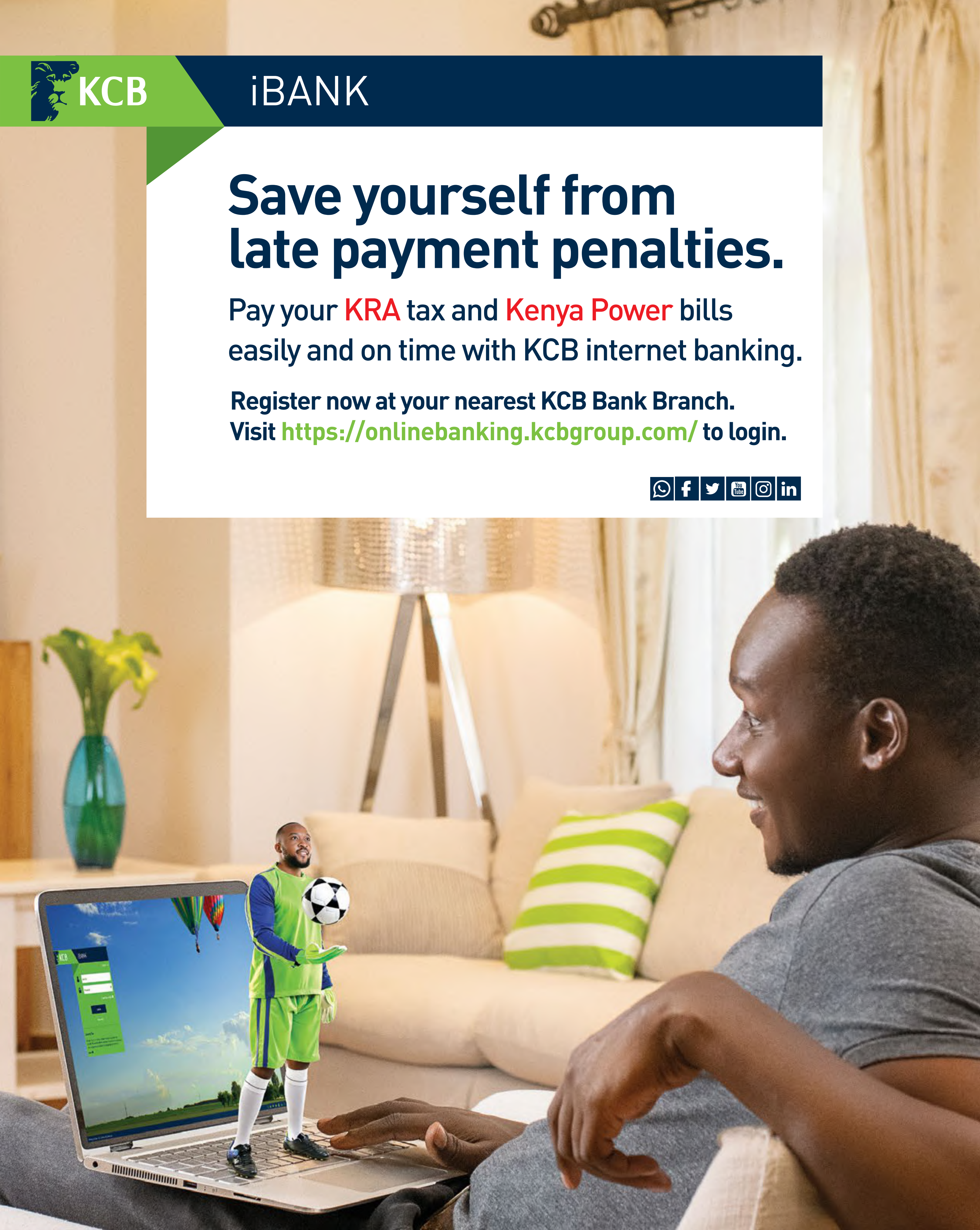
It was eventually time to descend. Going down took approximately another three hours. Occasionally, the rain would fall in crazy chaotic drops. By the time I got to ground level, I was drenched from top to bottom and stained in mud from skidding through the thick bamboo forest.

All in all, I had such a splendid and unforgettable experience!

The view up there was magnificent! This adventure and beauty awakened a desire in my heart to never stop what I love - exploring our beautiful country.

View from the Elephant's hill at the Aberdares

Hiker enjoying the view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