

# Collaboration is at the heart of hatching ground-breaking ideas

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16 Mar 2022

Africa is the youngest continent by way of population age and the most entrepreneurial of them. The latter is partly due to our ongoing development - growing while grappling with inequalities. Economic policies tend to encourage entrepreneurship as a route to sustainable livelihoods. It follows then, that startups are a dime a dozen.



Source: [www.pexels.com](https://www.pexels.com)

## The challenge

There is an opportunity in this reality for the private sector to drive innovation and make a meaningful difference, yet many big businesses are not always ready for that leap. And so, plentiful African startups tend to have a short lifespan due to lack of support, regardless of their brilliance.

One of the biggest challenges between the startup ecosystem and the established private sector is the mismatch of culture. Startups are idea hubs that move at a deafening pace compared to big corporates, and their culture of innovation is incongruent with the bureaucracy of long-established businesses. The solve? Corporate venture capital, or its interpretation, adapted for African realities.

## The Solve

Innovation in the startup ecosystem on the continent is about access. Firstly, it is the challenge of access to funding and collaboration opportunities for startups actively inventing solutions to human problems. Secondly, the very innovative ideas they are bringing to life are facilitating access to better livelihoods for people and their communities.

Access is ingrained in the DNA of the startup ecosystem in this corner of the world. Innovative ideas are also ideas that change lives and communities. What's also critical is the impact on the innovators themselves and their peers. The effect is also psychosocial and fosters a community of peers who egg each other to do better and be better.

Interestingly, our approach to innovation in ESAR is not necessarily tech-led, but it is tech-dependent. For instance, while smartphone proliferation is a big conversation, our mobile-first experience is more about solutions for all kinds of mobile telephony. In the region, feature phone penetration is the highest, so our solutions tend to be platform agnostic to

accommodate legacy and new technology.

### The ground-breaking idea of collaboration

The ideas lean on tech as a route to access and scale. But before we get to scaling ideas, accessing funding to bring these ideas to life can be difficult, as innovation in an entrepreneurial environment without support beyond an already limited pool of seed funding tends to die before it can thrive.

We find not only the death of ideas but also demotivation amongst youth. But on the other hand, they cannot afford to stop trying because this same ecosystem is what they depend on to attain sustainable livelihoods. It's cyclic.



Sandiso Sibisi is the founder of COOi Studios

This is where corporate venture capital programmes can be instrumental.

As an example, Nestlé Hatcher is a partnership between our various divisions looking to solve challenges within our communities and the startup ecosystem that shows up with creative solutions. It's a collaboration to solve for local business and society.

We continue to improve the way we engage startups from brief through ideation to pilot and investment readiness; through a partnership with COOi Studios that is entrenched in the startup community and plays the role of finding startups with tried and tested ideas that have traction. This partnership has bridged corporate and startup cultures.

### The outcome



João Barreto is head of Innovation at Nestlé ESAR

We have done two rounds of pitching so far. The first saw the development of a community of coffee lovers with Rum Ratings. We had a successful pilot, and Nestlé is scaling the solution in 2022. The second winner was Fourthline, with whom we are developing a USSD-based mCommerce platform that facilitates communities' access to affordable, nutritious food.

The startups and ideas may be quite green, but the promise of innovation is ground-breaking, and that is our approach to this work at Nestlé. It is risky, but we are willing to collaborate with the startup community to get there.

Our partnership with COOi Studios mitigates some of that risk without taking away the experiment's integrity and the learning experience. The ideas fully belong to the startup. As the shift in the innovation space goes from the obsession of owning stuff to collaborating is a notable evolution. Rather, we want to build community through partnership and collaboration.

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