

**SPEECH BY VIMAL SHAH AT KCA START-UP STRENGTHENING FORUM IN COLLABORATION WITH SINAPIS – 5<sup>th</sup> March, 2016**

Prof Noah Midamba, VC KCA University

Sinapis CEO

Distinguished young entrepreneurs

Ladies and gentlemen,

Good morning

I am delighted to join you this morning.

I wish to thank KCA for the opportunity to spend the morning with my favourite kind of crowd talking about my favourite topics such as growth and potential.

30 years ago, I was running a start-up just like you; in those days titles did not really matter because you are a director, a salesman, a production manager, an accountant, cleaner .... Everything all rolled into one. I think some of you can relate to that....right?

I have a confession to make: I miss those days. Despite uncertainty, intensity and financial scarcity the early days were so much fun.

But the early days of any enterprise are undeniably critical. They are the test of whether the startup will become a grow-up and eventually a success. A test of whether the idea is scalable, whether the entrepreneur is capable and the business sustainable.

There is a full proof method of ensuring a startup transition into a successful business? The honest answer is, I do not know.

However what I do know based on Bidco's experience and other entrepreneurial success stories is that there are things (including strategies and actions) that a startup can do to give it a near guarantee of success.

The first and most critical thing a startup needs is leadership. Entrepreneurship is a human endeavour; it's about judgment, self-clarity and confidence; and also about purpose, integrity and working with people. All these things are what leadership is all about.

Poor judgment, lack of confidence, over-confidence and lack of integrity – these things can ruin a business regardless of the quality of the idea

Growing a business is a constant test of your character and your mental ability; there are a lot of entrepreneurs who make it out sheer will power and the ability to keep going no matter what.

Leadership is about humility and patience and keeping the big picture in focus. Its attention to detail and constantly asking questions such as:

Why are you in this sector? What makes you special? Why are you doing it this way? How can you improve? What are my values?

Things get tough for startups; I think we can all testify to that and that's where your leadership ability are critical in keeping you on track. When you are under pressure, reject the temptation to panic- it's not a solution. There is always an ethical way out of every issue but you have to be calm to find it.

Leadership is the bridge between your business plan and the market, which as you will discover or already have, does not follow anybody's plan it is the ultimate strategy and the consummate skill. No one is born with the skill, you develop and cultivate it every day; read, observe and challenge yourself. Learn from your mistake and those of your peers. Learn from your success too and those of your peers.

Now let's talk about the business side of things. If you are going to strengthen your business, there is only one way to do that. Get more customers. It's not rocket science. And the only way to get more customers is to ensure you meet their **needs** at the right price and with better services than your competition.

Know your customer; know what they need; know their preferences and habits and use that knowledge to make them happier than your competition. In today's digital world you need to know your customer's

emails and twitter usernames; you need customer database. And you need to know how to use it to generate more sales.

Let me tell you a story to illustrate this: An American teenager received a brochure from a supermarket giving her offer on pregnancy shopping. Her father was furious. How dare they? His daughter was not pregnant and he wrote a letter to complain.

The supermarket replied that their data and analysis of her consumption pattern had told them she was. Guess what? She really was pregnant and the store was able to know that right down to her expected date of delivery. That how advance the customer insight game has become.

So know your competition, know your county and know your country. Know everything that impacts your business; your sector and your consumer

The next growth strategy I want to share with you is quality. Yes that is a growth strategy. Whether you are manufacturing or service industry quality is critical to achieving and sustaining any sort of growth.

Quality allows people to believe in you and more importantly trust you and when they trust you- they stay with you. This one strategy we have consistently used at Bidco- quality with a price advantage. It works.

Another way to beef up your business is innovation and adaptability to change. When I say innovation people think about huge or revolutionary changes but innovation is also small, constant change. Ask yourself what improvements you can make every day? What waste can you eliminate? What is my competition not doing that I can do? Equity bank is where it is today because it allowed people to open bank account for free when competition were asking for thousands. Now look at them.

Change is the only constant in today's market place. Consumers are dynamic; their tastes are dynamic as well-agility is crucial in keeping up with the times. The examples of Kodak, Nokia and Blackberry are all examples that we have seen happen before our own eyes- great companies with good products that failed to move in steps with their consumers and they lost market share and relevance in a massive way.

Finally I want to talk to you about technology. We are living in a fantastic world where technology and connectivity are available to a business today is remarkable. When we started we did not have computers or WI-FI but today we have built our business around technology and we have used it help us work faster and go further than the competition.

Our entire business is online and real time. Technology gives you the bandwidth to scale up without drama. Invest in technology. Normally when I say that people tell "Vimal but technology is expensive"

I agree it is expensive, but look at what it gives you and where it can take you and then make the decision. Ask yourself if your competition got the same technology how that would change the dynamics in the market and you will arrive at the true value of technology.

We are also living in an age of opportunity. Our population is growing and fast; every year we expand by about a million people so have no worry there is a market for you so long as your value proposition is on target. Even better our population is congregating in urban centres making them easier to access via media. If you expand this to include East Africa the market size grows to about 150 million people. This is available. This is available to you as well -if you want it.

E-commerce and mobile commerce are coming up: keep a close eye on these trends and see how your business can benefit from their boom when it hits

In closing I want reiterate that growth is a function of perspiration; you have to choose it. Stay passionate and as Steve Jobs so elegantly put it 'Stay hungry.