

# Entrepreneurial Company of the Year Award

Mobility Solutions  
KENYA



## Background and Company Performance

### *Industry Challenges*

Around 85% of small businesses across East Africa are reported to have no clear understanding of their complete end-to-end business processes and are accustomed to manual processing of stock, sales and payments. Enterprise mobility enables workforces to execute business processes more efficiently by using mobile technology. Information technology (IT) vendors and solution providers have integrated mobile technology into key applications to improve the efficiency and productivity of its business operations. Frost & Sullivan notes that the key challenges to operating in the mobility solutions industry include the lack of IT skills, the need to educate the market, and proper implementation of interoperable solutions.

Industry participants report to Frost & Sullivan how they are challenged by the lack of skilled workers in the IT sector. There is a mismatch between the demand and supply of skilled IT professionals, and this trend can have debilitating effects on both the sector and the local economy. Talent scouting is a cumbersome process and often depletes companies' human resource capacities. The shortage of talent is compelling Kenyan software firms to recruit and invest in new graduates who require extensive training and capacity building, thereby increasing the company's operating costs.

The operating culture of micro to small and medium sized enterprises (MSMEs) is inherently traditional, and solution providers face the challenge of having to educate these customers. Small retailers are accustomed to recording data (stock and payments) physically in exercise books that often get lost or damaged and hinder the calculation of profitability and growth for these business owners. Furthermore, retailers and distributors in the informal sector are adverse to the adoption of technology, as they perceive it to require high capital investments which they are unable to afford. Companies must enlighten customers about the benefits of streamlining and automating their business processes using software solutions and adopt cost-effective business models to cater to the budgetary constraints of customers.

Finally, mobility solution providers manage the implementation of software across multiple devices and are challenged to ensure that all devices and platforms are supported and are working seamlessly together. Initially, developers create separate applications with separate source codes for each platform; however, in order to improve on cost and efficiency, software developers are challenged to create single applications that can be implemented across multiple platforms.

Despite these challenges, Frost & Sullivan points out that companies that have adapted their technology simplistically and offer on-going support are clearly thriving in the MSME sector. The informal retail and distribution sector is untapped and acts as a major driver in

the uptake of mobile supply chain solutions.

## *Entrepreneurial Innovation and Customer Impact of Weza Tele*

### **Criterion 1: Price/Performance Value**

Weza Tele was founded in 2011 as a provider of end-to-end value added mobility solutions for fast moving consumer goods (FMCG) supply chain management and mobile payment integration processes.

Weza Tele's flagship offering, its MyOrder enterprise, integrates platforms such as Unstructured Supplementary Service Data (USSD), Short Messaging System (SMS) and mobile web to offer a solution that automates order management, distribution, tracking and payment validation for smaller enterprises. Its customer base consists of small suppliers, distributors and retailers in industries such as food, oil and gas. The supply chain market is entrenched by larger participants, but Frost & Sullivan appreciates the fact that Weza Tele truly differentiates itself by creating tailored solutions using basic mobile applications.

According to Frost & Sullivan, there are currently 37 million mobile subscribers in Kenya. Weza Tele leverages off the markets high mobile penetration by offering customers an SMS ordering facility. Using the MyOrder enterprise, retailers can place an order with vendors and distributors via a simple SMS. This service operates on both basic feature phones as well as smartphones and is less expensive than the competitor's Android application platform. Distributors are provided with a dashboard which segregates their products, prices, customers and orders that can be exported to an excel spread sheet with adjustable tracking fields. This simple quote and delivery system automates the ordering process and improves the visibility between participants throughout the purchasing cycle.

Weza Tele partnered with Odoo in 2014; Odoo is an Enterprise Resource Planning (ERP) firm, which specialises in open source integrated business applications such as point of sale software. Weza Tele has integrated its mobility solutions with Odoo's cloud-based solutions to gain scale and provide customers with a unique end-to-end solution for complete supply chain management. This partnership has enabled the development of a mobile payments integration service, which allows customers to transact using M-Pesa mobile money. In November 2012 M-Pesa had 12 million active users and 142 FMCG distributors on the platform; Weza Tele hereby enables its customers to grow and expand their businesses by reaching wider markets.

### **Criterion 2: Customer Purchase Experience**

Retailers and distributors in the informal sector are distrustful of adopting newer technologies. Weza Tele addresses this challenge by engaging customers in one-on-one

product demonstrations. The purchasing cycle begins with physical inspections, which last up to one month to allow Weza Tele to familiarise and emerge itself in the operations of its customers and conduct a detailed SWOT analysis to identify key areas for improving efficiency.

Weza Tele understands that FMCG is a diverse market and customises its solutions rather than offering standardised models. It differentiates itself from competitors by developing a case specific pilot for each customer to illustrate how the MyOrder enterprise will function when implemented. It then works collaboratively with all supply chain stakeholders to customise the platform to the exact specifications of the business in terms of scale and application.

The MyOrder enterprise offers a tailored solution to streamline and automate the ordering process. This SMS ordering service follows a simple three-step order in which customers register and provide all of their relevant details. Retail customers are provisioned with an itemised catalogue listing all the suppliers' products and prices by code. Orders are placed via SMS, to which Weza Tele responds with an SMS confirmation which tallies and verifies the customer's order and total purchasing cost. The SMS ordering system is quite simple, as it does not require any software installation and can easily integrate with existing systems - such as QuickBooks and POS.

### **Criterion 3: Customer Service Experience**

Weza Tele rides on existing online portals to offer strong customer relationship management and ensure that excellent customer service is delivered. Customers have visibility and ownership of their project (s) . The online portal allows customers to view maintenance time and the resources allocated to their account. In addition, this is the primary means of raising technical support issues; and work collaboratively with customers to address their issues. Weza Tele is dedicated to customer care and offers 24hour support services based on the demand of the project. This is achieved using various communication channels in line with the customers capabilities. The company is unique in involving its customers in the resolution process, which helps to minimise turnaround times. Furthermore, it enhances customer loyalty, as customers feel intimately connected to their service provider.

Weza Tele values feedback as a means of continuous improvement and enhanced excellent customer service. The company hosts quarterly meetings and monthly surveys for customers to discuss and review the impact of its products in order to highlight areas for improvement. Many customers have expressed a need for more in-depth understanding of management processes, and Weza Tele has therefore partnered with strategic corporate partners to offer capacity building and support in supply chain management and distribution.

#### **Criterion 4: Passion Persistence**

MSME companies are initially apprehensive of technology when they perceive it to be expensive and unattainable. Despite these tribulations, Weza Tele's founders persevered - with passion and dedication - to build mobility solutions and adopt a more customer-centric approach. This involved tailoring the order management platform to include customer selected features and improving scalability. Offering customers a simple integrated mobility enterprise platform, which gives them an end to end visibility in their operations hence increased efficiency. Weza Tele has grown its customer base from a single customer to 15 enterprise customers.

Weza Tele is committed to revolutionising supply chain management in the MSME sector; it physically entered marketplaces, encouraging potential customers to explore and test the MyOrder enterprise platform. The company spent its initial investment on research and development (R&D), with no guarantees of customer commitments.

The founder Hilda Moraa and her team originally met and worked together at incubation hubs, Nailab and iHub, to generate technical knowledge and build solutions. Their dedication has paid off, enabling the company to create growth opportunities by identifying the gap in the market and directly addressing customer needs through providing affordable supply-chain management solutions. Subsequently, the company developed a subscription-based business model to allow customers the flexibility to scale the solutions according to their business size, thereby supporting clients throughout their business lifecycle.

#### **Criterion 5: Market Disruption**

Tailored solutions for the MSME supply chains have a disruptive potential, as the participants in this sector have typically been overlooked by solution providers due to their deep mistrust of newer technology. As the only mobility solutions provider in the FMCG MSME sector, Weza Tele leverages its first mover advantage to penetrate an untapped market and improve its market share. Weza Tele strives to retain its competitive advantage by developing a database of MSME retailers and distributors in the FMCG supply chain sector to foster collaboration and trade, and increase the demand for mobility solutions.

Weza Tele has integrated the affordability and accessibility of mobile phones into a unique business model in order to leverage high mobile penetration rates in this market. Mobile phones are a cheap and easily accessible technology; Weza Tele has adopted the use of SMS and USSD to enable all participants to access its solutions. Competitors utilise mobile internet based applications and require Microsoft Windows 7 to support their programmes;

however, Weza Tele understands that SME's in the small retail sector lack access to these technologies and, therefore, have designed its products to support basic feature phones. To uphold its entrepreneurial spirit, the company stays in touch with market needs and is quick to respond with unique value propositions, which ensure that it stays ahead of the competitive curve.

### **Criterion 6: Competitive Differentiation**

The supply chain distribution sector in Kenya is entrenched by larger participants in the form of multinational logistics providers, multinational software corporations, and enterprise resource planning (ERP) developers. Weza Tele clearly differentiates itself from these competitors by catering to the needs of customers in the rural and peri-urban areas. Larger participants do not have a strong presence in these markets, as they primarily target large scale enterprises. Furthermore, Weza Tele designs solutions for each customer, tailoring them to suit their exact business structures and processes. Weza Tele is, therefore, uniquely positioned to deliver enhanced value to MSME supply chains by offering flexible management solutions.

In 2014, Weza Tele has established joint ventures with other software firms - such as IBM, KPMG, Odoo and KopoKopo. The company adopted this strategy to offer the Myorder enterprise as an additional product in an ERP product line, encompassing solutions for order management, mobile payment integration, payroll, and bookkeeping software. This creates an exciting value proposition for customers, as it offers them a collective basket of products covering the entire spectrum of business management, including support services. The strategy brings scalability to the Myorder enterprise and is boosting the company's growth, generating double profit and increased market share in the Fast Moving Consumer Goods sector in 2014.

### *Conclusion*

*Weza Tele has created innovative supply chain solutions for SME's in the informal sector by using basic mobile technology. The company's MyOrder enterprise solution is a quick and easy-to-use ordering platform that increases the visibility between retailers and distributors, and streamlines the overall supply chain management process. Furthermore, Weza Tele has excelled in an untapped market by tailoring flexible solutions for the small-scale supply chain sector. It offers a cost-effective solution to address the challenges faced by SME's in the supply chain industry and provides valuable tools to drive their sales and marketing. The company has thrived despite stiff competition from entrenched participants and showcases impressive entrepreneurial spirit by tapping into the niche MSME market.*

*With its strong overall performance, Weza Tele has earned the 2014 Frost & Sullivan Entrepreneurial Company of the Year Award.*

## Significance of Entrepreneurial Leadership

Ultimately, growth in any organization depends upon customers purchasing from your company, and then making the decision to return time and again. In a sense, then, everything is truly about the customer—and making those customers happy is the cornerstone of any long-term successful innovation or growth strategy. To achieve these dual goals (customer engagement and growth), an organization must be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.



## Understanding Entrepreneurial Leadership

Demand forecasting, branding, and differentiation are part of an entrepreneurial company's larger journey toward forming deep relationships with customers and permanently altering the market with their actions. These two concepts — entrepreneurial innovation and customer impact — are therefore the cornerstones of this Award, as discussed further in the next section.

## Key Benchmarking Criteria

For the Entrepreneurial Company of the Year Award, Frost & Sullivan analysts independent evaluated two key factors — Entrepreneurial Innovation and Customer Impact — according to the criteria identified below.

### Entrepreneurial Innovation

- Criterion 1: Market Disruption
- Criterion 2: Competitive Differentiation
- Criterion 3: Market Gaps
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Passionate Persistence

### Customer Impact

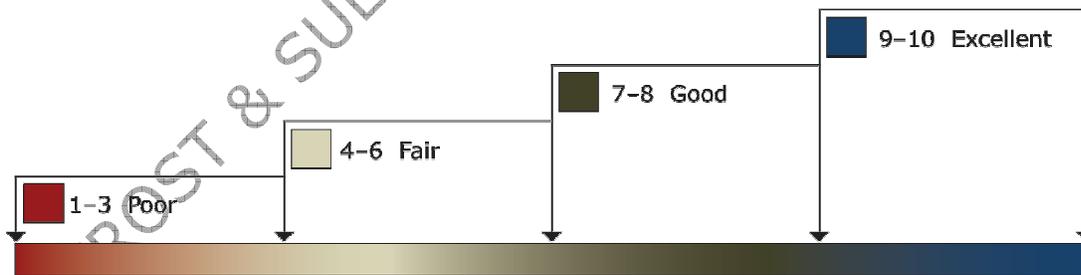
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

## Best Practice Award Analysis for Weza Tele

### Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

#### RATINGS GUIDELINES



The Decision Support Scorecard is organized by Entrepreneurial Innovation and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players in as Company 2 and Company 3.

#### DECISION SUPPORT SCORECARD FOR ENTREPRENEURIAL COMPANY OF THE YEAR AWARD

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
Entrepreneurial Company of the Year	Entrepreneurial Innovation	Customer Impact	Average Rating
<b>Weza Tele</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>
Competitor 2	8.2	8.4	8.3
Competitor 3	8.0	8.2	8.1

### *Entrepreneurial Innovation*

#### **Criterion 1: Market Disruption**

Requirement: Innovative new solutions that have a genuine potential to disrupt the market, obsoleting current solutions and shaking up competition

#### **Criterion 2: Competitive Differentiation**

Requirement: Deep understanding of both current and emerging competition to create and communicate strong competitive differentiators in the market

#### **Criterion 3: Market Gaps**

Requirement: A clear understanding of customers' desired outcomes, the products that currently help them achieve those outcomes, and where key gaps may exist

#### **Criterion 4: Blue Ocean Strategy**

Requirement: Strategic focus in creating a leadership position in a potentially "uncontested" market space, manifested by stiff barriers to entry for competitors

#### **Criterion 5: Passionate Persistence**

Requirement: A deep belief in the "rightness" of an idea, and a commitment to pursuing it despite seemingly insurmountable obstacles

### *Customer Impact*

#### **Criterion 1: Price/Performance Value**

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market

#### **Criterion 2: Customer Purchase Experience**

Requirement: Customers feel like they are buying the most optimal solution that addresses both their unique needs and their unique constraints

#### **Criterion 3: Customer Ownership Experience**

Requirement: Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service

**Criterion 4: Customer Service Experience**

Requirement: Customer service is accessible, fast, stress-free, and of high quality

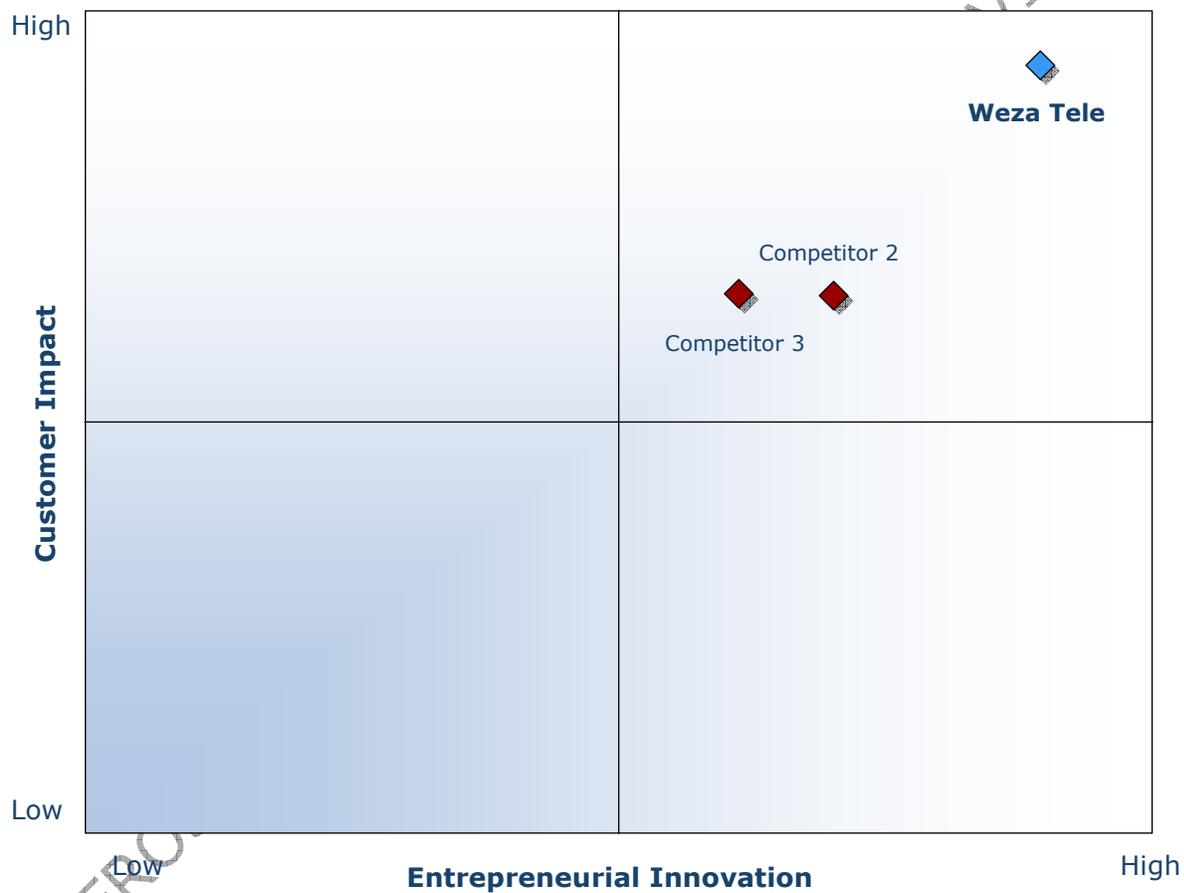
**Criterion 5: Brand Equity**

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty

*Decision Support Matrix*

Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

DECISION SUPPORT MATRIX FOR ENTREPRENEURIAL COMPANY OF THE YEAR AWARD



## The Intersection between 360-Degree Research and Best Practices Awards

### Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



©FROST & SULLIVAN - FOR INTERNAL USE ONLY

## Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan Awards follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 <b>Monitor, target, and screen</b>	Identify Award recipient candidates from around the globe	<ul style="list-style-type: none"> <li>• Conduct in-depth industry research</li> <li>• Identify emerging sectors</li> <li>• Scan multiple geographies</li> </ul>	Pipeline of candidates who potentially meet all best-practice criteria
2 <b>Perform 360-degree research</b>	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> <li>• Interview thought leaders and industry practitioners</li> <li>• Assess candidates' fit with best-practice criteria</li> <li>• Rank all candidates</li> </ul>	Matrix positioning all candidates' performance relative to one another
3 <b>Invite thought leadership in best practices</b>	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> <li>• Confirm best-practice criteria</li> <li>• Examine eligibility of all candidates</li> <li>• Identify any information gaps</li> </ul>	Detailed profiles of all ranked candidates
4 <b>Initiate research director review</b>	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> <li>• Brainstorm ranking options</li> <li>• Invite multiple perspectives on candidates' performance</li> <li>• Update candidate profiles</li> </ul>	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 <b>Assemble panel of industry experts</b>	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> <li>• Share findings</li> <li>• Strengthen cases for candidate eligibility</li> <li>• Prioritize candidates</li> </ul>	Refined list of prioritized Award candidates
6 <b>Conduct global industry review</b>	Build consensus on Award candidates' eligibility	<ul style="list-style-type: none"> <li>• Hold global team meeting to review all candidates</li> <li>• Pressure-test fit with criteria</li> <li>• Confirm inclusion of all eligible candidates</li> </ul>	Final list of eligible Award candidates, representing success stories worldwide
7 <b>Perform quality check</b>	Develop official Award consideration materials	<ul style="list-style-type: none"> <li>• Perform final performance benchmarking activities</li> <li>• Write nominations</li> <li>• Perform quality review</li> </ul>	High-quality, accurate, and creative presentation of nominees' successes
8 <b>Reconnect with panel of industry experts</b>	Finalize the selection of the best-practice Award recipient	<ul style="list-style-type: none"> <li>• Review analysis with panel</li> <li>• Build consensus</li> <li>• Select winner</li> </ul>	Decision on which company performs best against all best-practice criteria
9 <b>Communicate recognition</b>	Inform Award recipient of Award recognition	<ul style="list-style-type: none"> <li>• Present Award to the CEO</li> <li>• Inspire the organization for continued success</li> <li>• Celebrate the recipient's performance</li> </ul>	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 <b>Take strategic action</b>	Upon licensing, company may share Award news with stakeholders and customers	<ul style="list-style-type: none"> <li>• Coordinate media outreach</li> <li>• Design a marketing plan</li> <li>• Assess Award's role in future strategic planning</li> </ul>	Widespread awareness of recipient's Award status among investors, media personnel, and employees

## About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.

## Copyright

This research is owned by Frost & Sullivan. No part of this research may be disclosed to external parties without formal written permission from Frost & Sullivan. Furthermore, no part may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the written permission of Frost & Sullivan.

For information regarding permission, contact Nathan Halabrin or write to:

Best Practices Group

Frost & Sullivan

7550 IH 10 West, Suite 400

San Antonio, TX 78229-5616 USA