



Executive Summary & Recommendations

Emerging market entrepreneurs & Silicon Valley: making the mobile connection

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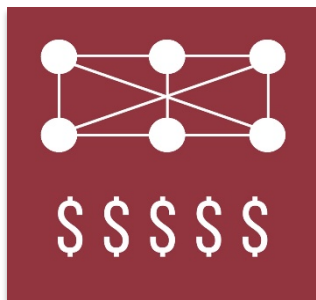
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- **Executive Summary**

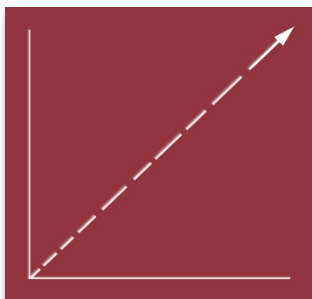
- **Recommendations for key players**
 - Emerging-market mobile entrepreneurs
 - Silicon Valley support players (accelerators, startup resources)
 - Silicon Valley investment funding channels
 - Silicon Valley-based technology companies

- **Further Resources & Information**
 - Startup support organisations and resources in Silicon Valley
 - Additional Silicon Valley-based resources for emerging market mobile entrepreneurs
 - List of organisations interviewed

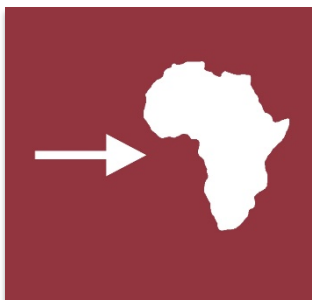
- **Read the Full Report**



These are promising times for entrepreneurs in emerging markets. Launching new mobile products and services has never been faster or cheaper, and the pool of digitally savvy, connected consumers grows daily



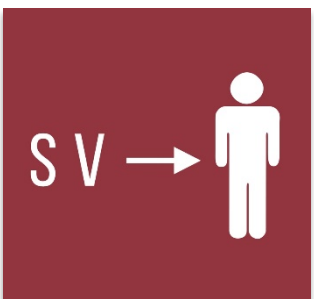
However, while *launching* a new mobile product or service is easier than ever, *scaling* one is not. Initiatives that help mobile entrepreneurs in emerging markets have enjoyed a few early successes



Silicon Valley is home to a unique mix of knowledge, skills, and strong, entrepreneur-focused networks. Established companies in Silicon Valley are now looking toward the widespread adoption of mobile in emerging markets.



Despite these promising developments, emerging-market entrepreneurs still face challenges in raising capital. Silicon Valley venture capital (VC) firms are reluctant to fund overseas startups due to distance and limited familiarity with business environments in emerging markets



To continue its historic influence in global technology markets, Silicon Valley must engage with the entrepreneurs who are building products and services for the next billion consumers, wielding a large portion of the estimated six billion smartphone connections that will be in use by 2020, nearly 80% of which will be in emerging markets



As discussed in our [Financing Innovation](#) research, Silicon Valley is uniquely positioned to help emerging market mobile startups scale, and there are key stakeholders who can make it happen. **The following provides a summary of recommended actions and potential benefits for these players.**



Recommendations for key players



Emerging-market mobile entrepreneurs



**Silicon Valley support players
(accelerators, startup resources)**



Silicon Valley investment funding channels



Silicon Valley-based technology companies



Recommended Action (“Gives”)

- Leverage local resources at early stages to develop and launch mobile products and services with the potential to scale.
- Engage with Silicon Valley ecosystem when ready to scale through structured support programmes or informal networks.
- Share knowledge of home market context, including viable business models and user preferences.
- Position companies as longer-term investments.

Potential Benefits (“Gets”)

- Knowledge, networks, and skills to scale mobile startups
- Funds for scale
- Capital and knowledge to explore future opportunities for entrepreneurs and startups.

Silicon Valley support players (accelerators, startup resources)



Recommended Action (“Gives”)

- Increase number of emerging-market startups engaged in existing accelerator programmes through outreach and modified selection criteria.
- Ensure programmes are relevant to emerging-market startups.

Potential Benefits (“Gets”)

- Access to new pipeline of startups to include in programmes
- Exposure to key mobile growth markets
- Participating startups can serve as global champions for programme success.



Recommended Action (“Gives”)

- Provide time, expertise, and access to resource networks.
- Develop appropriate metrics for emerging-market startups.
- Invest funds.

Potential Benefits (“Gets”)

- Early access to new pipeline of potential investments
- Greater knowledge and understanding of key mobile growth markets and new business models



Recommended Action (“Gives”)

- Engage with emerging-market startups to understand needs and market environments.
- Ensure global accessibility of platforms and tools that help emerging-market startups scale.

Potential Benefits (“Gets”)

- Potential to deploy, test, and build champions in local markets
- Gain knowledge to localise for market needs or build a more flexible platform to meet varying market conditions.

Startup support organisations and resources in Silicon Valley



Resource Type	Definition
Incubators	Ongoing business and development support for early-stage companies. Selection process is typically ongoing and there is no set length of the programme. An equity stake is typically not taken. Startups may or may not pay to participate.
Accelerators	Business and development support for early-stage companies (usually pre-seed). Startups typically receive access to corporate partners, mentors, and funding. Participants are selected in set intervals with application dates and cohorts. The average length is 3 months, with a set programme of activities and learning modules. Accelerators often provide capital in return for an equity stake (average 6-7 percent). Startups generally do not pay to participate.
Co-working Spaces	Office space generally occupied by startups on a paid basis. Co-working space provides access to high-speed Internet, as well as the opportunity to network with others in the tech or startup community. Additional offerings, such as business or technical support, can vary.
Startup Weekends	Multi-day events where entrepreneurs, developers, designers, marketers, product managers, and startup experts meet to exchange knowledge, build products, and form teams. Teams demo products at the end of the weekend.
Angel List	United States-based website for startups, angel investors, and job seekers looking to work at startups.

Additional Silicon Valley-based resources for emerging market mobile entrepreneurs



Organisation Type	Organisation detail	Supporting Organisations
Mobile operators	<ul style="list-style-type: none"> Programmes to engage with entrepreneurs (other than VC) 	Orange, Vodafone, Smart
Support players	<ul style="list-style-type: none"> Incubators Accelerators Co-working spaces Universities NGOs/Development organisations 	Plug and Play, NestGSV, Runway, Y-Combinator, Tandem, Numerous government-backed and corporate-backed accelerator programmes, Appcelerator; Stanford, UC Berkeley, Singularity University; Endeavor, Ideo.org, African Tech Foundation
Funding channels	<ul style="list-style-type: none"> Early-stage funders (Angels, Grantmakers, Competitions) Traditional VCs Impact Investors 	Skoll, DRK, Khosla Better Ventures VC, Accel Partners
Tech platforms / ecosystems / OS	<ul style="list-style-type: none"> Operating systems App stores for distribution 	Google, Microsoft, Apple, Blackberry, Mozilla
Tech products, service providers, developer tools	<ul style="list-style-type: none"> Provide tools for developers or product-related features 	Evernote, Dropbox, Mixpanel, Parse, Optimizely

Select Silicon Valley accelerators and immersive programmes



	500 Startups	Blackbox Connect	GSBI	Momentum
Programme overview	Rapid scale through emphasis on design & user experience, distribution & customer acquisition, Lean Startup practices	Expose global entrepreneurs to the essence of Silicon Valley.	Fill gaps preventing entrepreneurs from scale. Raise appropriate capital.	Mobile-first accelerator & fund focusing on customer acquisition, product & marketing, and direct investments for growth
Number of startups accelerated	Approx. 120 per year	Approx. 100 since 2012	Approx. 250 since 2002	Approx. 15
Programme duration	4 months in Silicon Valley	2 weeks in Silicon Valley	7-months (online + 9 days in residence)	3 months in San Francisco
Target startups	Internet startups based on search, social, & mobile platforms	Tech-based MVP Raised capital Global relevance	Social ventures at scale-up stage	Mobile focus, mobile first with live product, user traction and/or major pilot customer; angel funding or revenue generating
Main programme elements	Mentorship Access network of domain experts, investors, + partners Distribution + growth tactics Demo pitch day	Meetings and workshops with Silicon Valley entrepreneurs, investors, experts, and executives Demo pitch day	Online module Strong mentoring focus 9-day "boot camp" in Silicon Valley Investor pitch day	Mentorship, workshops, office space, partner introductions
Equity position	Accelerator + VC	Accelerator + VC	Accelerator only. No direct funding or equity stake	Accelerator + VC
M4D alignment*	Mobile: Med Social Impact: Low Emerging Market: Med	Mobile: Med Social Impact: Low Emerging Market: Med	Mobile: Low Social Impact: Strong Emerging Market: Strong	Mobile: Strong Social Impact: Low Emerging Market: Low

*M4D alignment indicates low, medium, or strong focus on mobile, social impact, and emerging markets. Ratings are based on interviews and secondary research.

Want to find out more?



Read the full report

“Emerging market entrepreneurs & Silicon Valley: making the mobile connection”

Drawn from interviews with Silicon Valley startup ecosystem players and investors, mobile operators, mobile entrepreneur in emerging markets, and others.