Building Synergies: How Mobile Operators and Start-ups Can Partner for Impact in Emerging Markets
The GSMA represents the interests of mobile operators worldwide, uniting nearly 800 operators with almost 300 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces industry-leading events such as Mobile World Congress, Mobile World Congress Shanghai, Mobile World Congress Americas and the Mobile 360 Series of conferences.

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The GSMA Ecosystem Accelerator programme focuses on bridging the gap between mobile operators and start-ups, enabling strong partnerships that foster the growth of innovative mobile products and services. These partnerships bring impactful mobile solutions to the people and places that need them most, generating the greatest socio-economic impact. In particular, the programme operates an Innovation Fund which supports African and Asian start-ups with direct funding, technical assistance, and connections with mobile operators. The programme is supported by the GSMA, its members, and the UK Department for International Development (DFID).

Learn more at www.gsma.com/ecosystemaccelerator or contact us at accelerator@gsma.com

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This document is an output of a project funded by UK aid from the Department for International Development (DFID), for the benefit of developing countries. The views expressed are not necessarily those of DFID.

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When the term “unicorn” first emerged in 2013¹ to describe a privately owned start-up valued at over $1 billion, there were no start-ups from emerging markets on the list of thirty-nine. Three years later, the list has more than quadrupled to 179, including 11 from emerging markets.² Beyond their 10-digit valuation, emerging market unicorns such as Jumia (Nigeria), Go-Jek (Indonesia), Decolar (Argentina) and Hike (India), have rapidly become major commercial and socio-economic players in their respective regions. Combined, these four unicorns have 6,500 direct employees³ and several hundreds of thousands of contractors. Go-Jek alone operates a fleet of 200,000 drivers⁴ and Jumia works with a network of 30,000 sales agents.
While start-ups are vital forces in both the innovation ecosystem and the wider economy, the majority struggle to reach scale. They are often stifled by a dearth of investment capital, lack of payment infrastructure, difficulty to reach unconnected users, a shortage of market insights and limited government support, among other challenges. A case in point is Lumkani. Founded in 2014, the South African start-up developed a networked early warning fire detection system which alerts community leaders and local fire department of fires in informal settlements. Despite being a low-priced solution to a problem in most informal settlements in emerging markets, Lumkani has only distributed 7,000 devices across South Africa so far.5

Likewise, in emerging markets, mobile operators have touched the lives of billions and reached impressive scale across all population segments. Emerging markets represent 75% of the world’s 4.8 billion unique mobile subscribers.6 Behind this growth is the pervasiveness of mobile phones, which provide widespread access to easy-to-use forms of communication (voice, SMS, or USSD). They are also the main channel for accessing the internet and other important services, and provide a vital lifeline in natural disasters. On the ground, mobile operators have deployed powerful distribution networks that employ millions. With mobile money services, they offer a payment solution with close to 150 million active accounts worldwide,7 addressing the shortcomings of many local banking systems.

Nevertheless, these mobile operators face a plethora of challenges. Sustainable competitive advantage in the telecommunications sector is becoming increasingly difficult to achieve. Digital disruption has made it difficult for mobile operators to keep up with the accelerating pace of innovation.

Today in emerging markets, more than anywhere else, there are opportunities for mobile operators and start-ups to collaborate. Mobile operators have reached the scale that start-ups lack, while start-ups have the local innovation mobile operators need.

Mobile operators have reached the scale that start-ups lack, while start-ups have the local innovation mobile operators need.
Identifying synergies: a framework for mobile operators and start-ups

When it comes to **scale** and **innovation**, mobile operators and start-ups have certain “haves” and “needs”. As we looked at examples of collaborations between mobile operators and start-ups in emerging markets, it became clear that these haves and needs primarily determine the synergies, or opportunities for collaboration.
### A synergies framework for mobile operators and start-ups in emerging markets: Part 1 - mobile operators’ haves and start-ups’ needs

<table>
<thead>
<tr>
<th>MOBILE OPERATORS HAVE</th>
<th>LARGE CUSTOMER BASE</th>
<th>Customer base across segments, knowledge of this base</th>
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<tbody>
<tr>
<td></td>
<td>FINANCIAL AND PHYSICAL ASSETS</td>
<td>Financial resources, real estate, and infrastructure</td>
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<tr>
<td></td>
<td>UNIVERSAL COMMUNICATION CHANNELS</td>
<td>Mobile voice, SMS, USSD, etc. (through APIs)</td>
</tr>
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<td></td>
<td>RELEVANT PAYMENT CHANNELS</td>
<td>Mobile money services and carrier billing (through APIs)</td>
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<tr>
<td></td>
<td>WIDE SALES AND DISTRIBUTION NETWORK</td>
<td>Flagship/retail stores, agents, online, and call centres</td>
</tr>
<tr>
<td></td>
<td>MARKET EXPERTISE</td>
<td>Marketing and technical knowledge, network of partners</td>
</tr>
<tr>
<td></td>
<td>BRAND RECOGNITION AND TRUST</td>
<td>Visibility and trust/credibility</td>
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<tr>
<th>SYNERGIES (examples)</th>
<th>LARGE CUSTOMER BASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DocTHERs uses Telenor’s data analytics and consumer profiling capabilities to select the locations for its teleclinics (Pakistan, 2016)</td>
<td></td>
</tr>
<tr>
<td>Real estate marketplace ZipMatch has received funding from Globe’s CVC unit, Kickstart (Philippines, 2016)</td>
<td></td>
</tr>
<tr>
<td>Taxi app Online Cabs runs on Dialog (ideamart) SMS, USSD, and LBS APIs (Sri Lanka, 2016)</td>
<td></td>
</tr>
<tr>
<td>mTick partners with Orange so users can buy their bus tickets through Orange Money (Côte d’Ivoire, 2015)</td>
<td></td>
</tr>
<tr>
<td>Nova Lumos partners with MTN to distribute its PAYG solar home systems through MTN’s wide sales network (Nigeria, 2015)</td>
<td></td>
</tr>
<tr>
<td>Cellcard runs “Cellcard Lab”, an intensive 3-month business model validation program to turn ideas into viable ventures (Cambodia, 2016)</td>
<td></td>
</tr>
<tr>
<td>M-KOPA Solar worked with the operator to launch a Safaricom-branded solar lighting system (Kenya, 2012)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>START-UPS NEED</th>
<th>CUSTOMER ACQUISITION AND MARKET INSIGHTS</th>
<th>Low-cost customer acquisition, access to market insights</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FINANCIAL SUPPORT (IN CASH AND IN KIND)</td>
<td>Funding, co-spacing, or grants</td>
</tr>
<tr>
<td></td>
<td>ACCESS TO MASS COMMUNICATION CHANNELS</td>
<td>API access (SMS, USSD, IVR)</td>
</tr>
<tr>
<td></td>
<td>ACCESS TO MASS PAYMENT CHANNELS</td>
<td>Easy payment collection processes</td>
</tr>
<tr>
<td></td>
<td>ACCESS TO CUSTOMER TOUCHPOINTS</td>
<td>Physical/online retail points, pick-up and delivery points</td>
</tr>
<tr>
<td></td>
<td>ADVISORY AND MENTORING</td>
<td>Technical and commercial support, relationship brokering</td>
</tr>
<tr>
<td></td>
<td>BRAND EXPOSURE AND TRUST</td>
<td>Visibility and credibility</td>
</tr>
</tbody>
</table>

Sources: GSMA Ecosystem Accelerator, mTick, ZipMatch, Online Cabs, Nova Lumos, DoctHERs, M-Kopa

1. CVC: Corporate Venture Capital; LBS: Location Based Services; PAYG: Pay-As-You-Go; IVR: Interactive Voice Response
A synergies framework for mobile operators and start-ups in emerging markets: Part 2 - start-ups’ haves and mobile operators’ needs

Sources: GSMA Ecosystem Accelerator, Afrostream, Teta Mobile Chat, Jumia, Singtel Innov8 Connect, Eurasia Mobile Challenge

1. AFRO STREAM
2. SVOD: Subscription Video on Demand; MFS: Mobile Financial Service

FIGURE 1
Our analysis of the synergies between mobile operators and start-ups in emerging markets yielded four main takeaways:

1. **Any collaboration between a mobile operator and a start-up needs to be balanced.** Both parties need to benefit from the collaboration for it to make sense and be sustainable. Therefore, before going ahead with a partnership, mobile operators and start-ups need to clearly assess their haves and needs, and then use the framework above to identify specific opportunities for collaboration. However, it is important to note that a “have” on one side can fulfill different “needs” on the other side. For instance, the innovative and high-impact services a start-up provides can help a mobile operator with customer acquisition and customer retention. In Nigeria, when eCommerce start-up Jumia offers exclusive discounts to MTN customers, it not only generates new customers on the operator’s side, but also increases the satisfaction and loyalty of its existing customers.

2. **Mobile operators have a range of tools to accelerate a start-up’s growth.** Financial support is only one of these tools. Mobile operators can also support start-ups with customer acquisition and market insights, brand exposure and trust, advisory and mentoring, and providing access to customer touchpoints, mass communication, and payments channels (see Figure 2).

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**FIGURE 2**

**What support do start-ups need from mobile operators in emerging markets?**

In the first round of the Ecosystem Accelerator Innovation Fund, we received more than 400 applications from start-ups in 41 countries across Asia and Africa. We asked the applicants to tell us the kind of support they would require from mobile operators. The graphic below shows the most common answers among the top 100 applicants. More than half (52%) said they wanted to integrate or further integrate with mobile operator local APIs, whether SMS, USSD, mobile money, or billing (i.e. “Access to mass communication channels” and “Access to mass payment channels” in our framework).

<table>
<thead>
<tr>
<th>Type of support</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>API integration (Mobile money, USSD, SMS, Billing, Location)</td>
<td>“With the technical assistance and support from mobile operators, we would be able to fine-tune our operations by using USSD communication…”</td>
</tr>
<tr>
<td>Resources (discounted rates &amp; financial support)</td>
<td>“Zero-rating of our mobile site”, “Any subsidy on data or access fees”</td>
</tr>
<tr>
<td>Guidance &amp; mentorship</td>
<td>“Technical support to better understand the level of bandwidth availability in rural areas.”</td>
</tr>
<tr>
<td>Customer touchpoints</td>
<td>“Sales and distribution integration across Africa”, “Have our application pre-installed in mobile devices sold to corporate clients.”</td>
</tr>
<tr>
<td>Exposure &amp; credibility</td>
<td>“Advertising and promoting our services to increase the number of service providers and users”</td>
</tr>
<tr>
<td>Access to customer insights</td>
<td>“Access to anonymised demographic information about patients to better understand our client base.”</td>
</tr>
<tr>
<td>Others</td>
<td>“Having our data hosted at mobile operators’ data centres for countries we operate in.”</td>
</tr>
</tbody>
</table>

Source: GSMA Ecosystem Accelerator Innovation Fund
3. **Mobile operators are uniquely positioned to create additional value across a range of industries.** For example, education (Safaricom and Eneza), transportation (Orange and Mtick), energy (MTN and Lumos), or others. The ability of mobile operators to drive scale across other industries gives them an edge over other potential corporate partners.

4. **Start-ups can help to address some of a mobile operator’s key challenges.** In the face of decelerating revenues and increasing competition in the telecommunications sector, start-ups can provide a way for mobile operators to stay relevant. The examples in the synergies framework (Figure 1) demonstrate that start-ups can help mobile operators grow core revenue, create new revenue streams, or lower costs. They can also boost a mobile operator’s value proposition, leading to higher customer retention, customer acquisition, and better reputation.

The **three case studies** captured in this report illustrate these points, showcasing collaborations between mobile operators and start-ups in emerging markets. The case studies cover start-ups at three different stages (early stage to unicorn) in three markets (Pan-Africa, Kenya and Pakistan), operating in three different segments (EdTech, eCommerce, and HealthTech).
# Eneza Education and Safaricom: unlocking mobile education opportunities in East Africa

In 2012, Kenya-based Edtech start-up Eneza Education teamed up with Safaricom to launch Shupavu 291, an SMS-based service. Accessed through a feature phone, its “Ask a Teacher” feature allows students to ask teachers questions in real time.

## Sources
Eneza Education, Safaricom

<table>
<thead>
<tr>
<th><strong>1.4m</strong></th>
<th><strong>300k</strong></th>
<th><strong>7,000</strong></th>
<th><strong>70%</strong></th>
<th><strong>+10</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>registered users in Kenya</td>
<td>monthly active users</td>
<td>schools registered across Kenya</td>
<td>of users from rural areas</td>
<td>new markets planned for expansion</td>
</tr>
</tbody>
</table>

## Mobile-Centric Approach

- **Have**: By enabling Shupavu 291 to run on SMS/USSD, the operator helped lower the cost of the service by 85%. For instance, a 5-question quiz initially priced at 20 KES ($0.20) was later discounted to 3 KES. Customers are now allowed unlimited access to Shupavu 291 for 10 KES per week.
- **Need**: To increase the level of collaboration, in October 2016, Safaricom decided to directly fund the start-up through its USD$1 million investment arm, Safaricom Spark Venture Fund.

## Access to Mass Communication Channels

- **Have**: Eneza integrated with Safaricom’s USSD and SMS APIs. In Kenya, the platform is accessible through any Safaricom line by dialling *291# or texting “START” to 20851.
- **Need**: The start-up’s users can make payments using Safaricom’s airtime credit or m-Pesa, easing the billing process for Eneza.

## Access to Mass Payment Channels

- **Have**: Both companies are working on utilising some of the mobile operators’ 50,000+ points of sale as Eneza’s customer care and certificate collection points.
- **Need**: Eneza integrated with Safaricom’s USSD and SMS APIs. In Kenya, the platform is accessible through any Safaricom line by dialling *291# or texting “START” to 20851.

## Access to Customer Touchpoints

- **Have**: Eneza integrated with Safaricom’s USSD and SMS APIs. In Kenya, the platform is accessible through any Safaricom line by dialling *291# or texting “START” to 20851.
- **Need**: The start-up’s users can make payments using Safaricom’s airtime credit or m-Pesa, easing the billing process for Eneza.

There has also been an indirect impact on Safaricom’s revenue. For example, it is expected that households where children use Shupavu 291 will be more likely to top-up on airtime credits and more often. This is particularly significant in rural areas, where average revenue per user (ARPU) tends to be lower than in cities.

Working with Eneza enables Safaricom to contribute to the development of primary and secondary school children in rural areas. Supporting this demographic is vital for an operator like Safaricom, which operates in a market where about 42% of Kenya’s 46 million people are under the age of 15. Once Eneza had proven the business model works, it expanded into different market segments, providing business and teacher training courses. Each of the services now has over 26,000 users.

Safaricom and Eneza operate on a revenue sharing model. Hence, an increase in Shupavu 291 revenue benefits both parties.

Shupavu 291 users spend on average 42 min/day on the service. With around 300,000 monthly active users, Shupavu 291 has the potential to increase stickiness among Safaricom users.

Eneza and Safaricom are jointly tackling some of the key education challenges in Africa. Since Eneza launched in 2012, its users have sent more than 130 million messages and 14 million quiz questions have been completed. Students have also asked 350,000 questions through the “Ask a Teacher” feature. 70% of users are from rural areas.

**Sources**: Eneza Education, Safaricom
Beyond the benefits for start-ups and mobile operators, collaborative ventures in emerging markets often have long-lasting effects on the local economy. Mobile operators can mitigate the route-to-market challenges for start-ups by providing the platform, customer relationship, and resources to drive their mobile innovation to scale. The socio-economic benefits are apparent: in the first round of our Innovation Fund in 2016, we discovered the top 100 start-up applicants were already tackling or planning to tackle at least nine of the 17 UN Sustainable Development Goals (SDGs). Nearly half stated the positive impact their business was having on employment and economic growth (SDG #8) while a third highlighted their contribution to improving education (SDG #4) and industry (SDG #9).

**FIGURE 3**

### How are emerging markets start-ups supporting the UN Sustainable Development Goals (SDG)?

<table>
<thead>
<tr>
<th>SDG</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decent Work &amp; Economic Growth</td>
<td>“We will have a significant impact by directly creating jobs, with the on-demand tasks.”</td>
</tr>
<tr>
<td>Quality Education</td>
<td>“Offering a good learning experience for students, and especially those with few alternatives…”</td>
</tr>
<tr>
<td>Industry, Innovation &amp; Infrastructure</td>
<td>“We directly impact two low-income groups of people through our model: small shopkeepers and our distribution agents.”</td>
</tr>
<tr>
<td>Reduced Inequalities</td>
<td>“Our product gives people access to finance at affordable cost.”</td>
</tr>
<tr>
<td>Good Health and Well-being</td>
<td>“Our system aims to improve patient engagement and health outcomes.”</td>
</tr>
<tr>
<td>Sustainable Cities &amp; Communities</td>
<td>“Countries benefit from our solution by reducing the enormous economic weight of road traffic accidents and fatalities.”</td>
</tr>
<tr>
<td>Gender Equality</td>
<td>“We unlock additional income for midwives and mothers.”</td>
</tr>
<tr>
<td>Climate Action</td>
<td>“Our service will help reduce traffic congestion by increasing the average car occupancy rate.”</td>
</tr>
<tr>
<td>Peace, Justice &amp; Strong Institutions</td>
<td>“Our solution helps immediately identify community members that are in danger during and after a crisis.”</td>
</tr>
</tbody>
</table>

Source: GSMA Ecosystem Accelerator Innovation Fund
Jumia and MTN: the synergies behind Africa’s leading eCommerce venture

In December 2013, MTN, together with Millicom and Rocket Internet, became a 33.3% stakeholder in Africa’s e-commerce and digital services company Jumia Group (formerly Africa Internet Group (AIG). MTN has since invested an additional $143 million in Jumia Group, increasing its stake to 41.4 percent. Jumia’s services include Jumia (e-Commerce), Jumia Market, Jumia Travel, Jumia Food, Jumia Deals, Jumia House, Jumia Car, Jumia Jobs, and Jumia Services.

The investment Jumia received from MTN fast-tracked its expansion into new countries and industry verticals. The collective strength of the joint venture has since attracted new investors, such as Orange, AXA, Goldman Sachs, and CDC. Additionally, the operator zero-rated Jumia’s websites in Ivory Coast and Nigeria, allowing MTN subscribers to access them without incurring any mobile data cost.

MTN has capitalised on Jumia’s strong online sales channels. In Nigeria, around 700,000 smartphones are sold online each month by Jumia (2015), making it the largest seller of smartphones in the country. Having an established online distribution channel gives MTN a competitive advantage over other operators in the market.

The companies have combined efforts to launch joint marketing and cross-promotion initiatives. In Nigeria, for example, two TV campaigns were launched. The companies have also pursued a series of below-the-line (BTL) marketing campaigns via SMS, giving MTN customers access to Jumia discounts.

In addition to the synergies created from the partnership, MTN and Jumia have collaborated to launch the “MTN Entrepreneurship Challenge powered by Jumia”, a competition that saw 1,526 start-ups from 26 African countries apply and three winners be awarded financial and in-kind support from MTN and Jumia.

Sources: Jumia, MTN
Collaboration models for mobile operators and start-ups

Depending on the types of potential synergies identified between a mobile operator and a start-up, different models of collaboration may apply. In the matrix thereafter we have attempted to map some of these options based on the depth of collaboration and the financial commitment required from the mobile operator. While this analysis is relevant to operators, start-ups in emerging markets should also understand the variety of ways they can engage and collaborate with a mobile operator. The range of options will naturally vary significantly from one market to another.
## Engagement and collaboration models for mobile operators and start-ups

### Direct Investment
The mobile operator invests in a start-up directly through its main entity and balance sheet (not through a separate entity).
- **Example:** MTN & Snapp (Iran)

### Joint Venture
The mobile operator and the start-up set up a joint venture run by both entities.
- **Example:** MTN & Rocket Internet (Africa)

### CVC Investment
The mobile operator makes an investment in a start-up through its corporate venture capital fund (investment vehicle).
- **Example:** Safaricom & mSurvey (Kenya)

### Commercial Agreement
The mobile operator and the start-up work out a more traditional commercial buyer/supplier deal based, for instance, on a revenue share.
- **Example:** Globe & Bustayo (Philippines)

### M&A
The mobile operator acquires a start-up in order to integrate it with its own operations.
- **Example:** Airtel & YTS Solutions (India)

### In-House Tech Hub
The mobile operator runs its own tech hub (often accelerators) to source cohorts of start-ups and provide them with in-house support and opportunities for collaboration.
- **Example:** Telenor (Velocity) & DoctHers (Pakistan)

### Hackathon or Competition
The mobile operator engages with start-ups by hosting a competition for local entrepreneurs. This often opens the door to collaborating with the winners.
- **Example:** Etisalat & DTMD (Nigeria)

### Partner Tech Hub
The mobile operator supports a strong local tech hub (incubator or accelerator) through funding, API access, or mentoring, for instance, to gain access to local start-ups.
- **Example:** Orange (CIPMEN) & Tech-Innov (Niger)

### CSR/Grant
The mobile operator’s foundation or CSR team engages with start-ups purely from a CSR (not a business) angle through challenges, prizes, etc.
- **Example:** Millicom & Shule Direct (Tanzania)

### OTT Reselling
Specifically with content start-ups (video on-demand (VoD), music, games, etc.), a mobile operator may resell a start-up’s content in an over-the-top deal.
- **Example:** Vodacom & Teta (South Africa)

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- **Example:** Telenor (Velocity) & DoctHers (Pakistan)

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The mobile operator makes an investment in a start-up through its corporate venture capital fund (investment vehicle).
- **Example:** Safaricom & mSurvey (Kenya)
Traditionally in emerging markets, most mobile operators have supported local start-ups in three ways: CSR activities (grants, prizes, etc.), start-up competitions (such as hackathons), and external tech hub partnerships. Research we published in August 2016, “A few things we learned about tech hubs in Africa and Asia”, found that 13% of the 600+ active tech hubs we identified had a partnership with a mobile operator.

However, while these efforts are needed and provide opportunities for start-ups and mobile operators to engage, they too rarely lead to durable collaborations. When a start-up wins a competition organised by a mobile operator, collaboration rarely follows. Some competitions are held for public relations reasons rather than a real desire to engage in long-term partnerships, while start-ups often only focus on seeking funding, not opportunities to collaborate.

Recently, however, we have seen a positive shift as more mobile operators have moved towards the top right corner of the matrix (Figure 4), seeking more collaboration and investing more heavily in these efforts. For instance:

• **In-house tech hubs**: Several tech hubs run by mobile operators have recently been launched, including MTN Solution Space in South Africa; Orange Fabs in Côte d’Ivoire, Senegal, and Cameroon; six Telenor-owned incubators and accelerators across Asia (Velocity in Pakistan, DTAC Accelerate in Thailand, GP Accelerator in Bangladesh, Telenor Myanmar Accelerate and Digi Incub8 and Accelerate in Malaysia), and Zain Innovation Campus in Jordan. These tech hubs can be quite efficient at developing collaborations with early-stage local start-ups when they act as an intermediary between the start-ups and the mobile operator’s major departments (marketing, networks, financial services, data analytics, sales, etc.).

• **Investments (CVC, direct investments, and joint-ventures)**: While the synergies mentioned in Figure 1 can often be achieved through commercial models, they can multiply when coupled with a carefully managed equity investment in the start-up partner. With several start-up investments from MTN, Orange, and Safaricom since the second quarter of 2016, these forms of collaboration are appearing to gain traction.

• **Commercial agreements and OTT reselling partnerships**: Although not as known as the two options above, these are often very attractive collaborations for both parties. Whether a simple API integration with a revenue-sharing component (a model gaining in popularity among mobile operators like Airtel Africa, Dialog in Sri Lanka, or Orange across Africa) or a product reselling deal (more suitable for content-focused ventures like Dobox in Nigeria or B2B start-ups), these agreements often lead to strong collaboration as they come after direct negotiations between the operator and the start-up to come up with a mutually beneficial deal.
**CASE STUDY 3**

**DoctHERs and Telenor: collaborating to increase access to healthcare**

DoctHERs connects marginalised communities to health services via video consultation while re-integrating female health professionals into Pakistan’s medical workforce. Doctors appear on a laptop screen in one of the DoctHERs teleclinics staffed with nurses who work with doctors to check symptoms and treat patients. This telemedicine start-up was part of the first cohort of Telenor Pakistan’s six-month accelerator programme, Velocity, designed to support local start-ups through access to Telenor’s customer base and distribution channels.

**Sources:** DoctHERs, Telenor (Find out more about Telenor Pakistan initiatives in mHealth here: https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2016/12/The-journey-of-Telenor-My-Health-in-Pakistan.pdf)
3 Calling on mobile operators and start-ups in emerging markets to explore more ways to work together

The digital economy creates many opportunities for start-ups and mobile operators in emerging markets to collaborate for mutual benefit, while also providing citizens with new products and services that have a positive socio-economic impact. The GSMA Ecosystem Accelerator programme calls on mobile operators and start-ups in emerging markets to continue seeking partnerships and opportunities for collaboration. The synergies framework provided in this report should help both parties better understand what they can contribute and clearly identify areas of potential collaboration before embarking on a partnership.
MOBILE OPERATORS

Recommendations for emerging market MOBILE OPERATORS willing to work with local start-ups

1. UNDERSTAND WHAT A COLLABORATION WITH A START-UP COULD BRING TO YOUR ORGANISATION:

Beyond financial investments, mobile operators can find valuable ways to collaborate with start-ups at multiple levels. However, they must understand their needs if they are to pick the right partners and design mutually beneficial partnerships.

2. SET UP THE RIGHT CHANNELS FOR ENGAGEMENT AND COLLABORATION WITH APPROPRIATE RESOURCES:

While some mobile operators take advantage of a full range of options when it comes to engaging with start-ups (from CSR events to investment and acquisition vehicles), each context calls for a tailored approach. It is critical that all initiatives are properly resourced, staffed, and given strong business objectives aligned with the operator’s strategic activities.

3. APPROACH THE RIGHT START-UP WITH THE RIGHT SPEECH:

Before engaging with a start-up, mobile operators should answer the following three questions:

• Will this start-up help me address my current business concerns and meet my future needs?
• Do I have someone in-house dedicated to making this a successful collaboration?
• Do I speak the start-up’s language?

4. COLLABORATE WITH THE WIDER START-UP ECOSYSTEM

Mobile operators cannot work in isolation. If they are to access a broad range of start-ups in the countries where they operate, they must include the entire start-up ecosystem: tech hubs, investors, and government. We therefore call on mobile operators to build affiliations with their wider community to strengthen the start-up ecosystem.

START-UPS

Recommendations for emerging market START-UPS willing to work with mobile operators

1. UNDERSTAND YOUR STRENGTHS (‘HAVES’) AND NEEDS:

Start-ups keen to partner with mobile operators need to ensure they have a robust rationale for the collaboration. If the start-up is unclear what it can offer the mobile operator, the collaboration may not be successful. This initial exercise will require the start-up to study mobile operators in its market and understand where they are located in each of the “haves” and “needs” presented in our framework.

2. FIND THE RIGHT CHANNEL TO ENGAGE WITH MOBILE OPERATORS:

The extent to which mobile operators are prepared to engage with start-ups varies significantly from one market to another. A “landscaping” phase is therefore essential for the start-up to understand the best way to collaborate with a local mobile operator (e.g. applying for the latest innovation prize, reaching out to the accelerator programme, or including the operator on its list of potential Series A investors).

3. APPROACH THE RIGHT PARTNER WITH THE RIGHT PITCH:

Before engaging with a mobile operator, start-ups should answer the following three questions:

• What are the current business concerns of this mobile operator?
• Who is the right person to talk to within the organization?
• Do I speak the mobile operator’s language?
ACKNOWLEDGEMENTS

We would like to thank the mobile operators, external consultants, start-ups, and GSMA experts who were interviewed and consulted for this report:

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FURTHER READING

MATCH-MAKER VENTURES:
• Innovation Quest for Telecom Operators: The heat is on! http://match-maker.ventures/telco-study/
• The Age of Collaboration http://match-maker.ventures/study/

ARTHUR D LITTLE:
• Telecom operators: Open Innovation with start-ups:

NESTA:
• Winning Together: A guide to successful corporate-startup collaboration
  http://www.nesta.org.uk/blog/winning-together-guide-successful-corporate-startup-collaboration
• Scaling Together: Overcoming barriers in corporate-start up collaborations

500 START-UPS AND INSEAD:
• How do the world’s biggest companies deal with the start-up revolution?
  http://698640.hs-sites.com/500corporations

WAMDA:
• Collaborative Entrepreneurship: The state of corporate-start up engagement in MENA
  https://www.wamda.com/research/collaborative-entrepreneurship-impact
SOURCES

2. https://www.cbinsights.com/research-unicorn-companies
3. LinkedIn
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