



# Building Synergies: How Mobile Operators and Start-ups Can Partner for Impact in Emerging Markets



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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).

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When the term “unicorn” first emerged in 2013<sup>1</sup> 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.<sup>2</sup> 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 employees<sup>3</sup> and several hundreds of thousands of contractors. Go-Jek alone operates a fleet of 200,000 drivers<sup>4</sup> 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.<sup>5</sup>

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.<sup>6</sup> 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,<sup>7</sup> 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.**



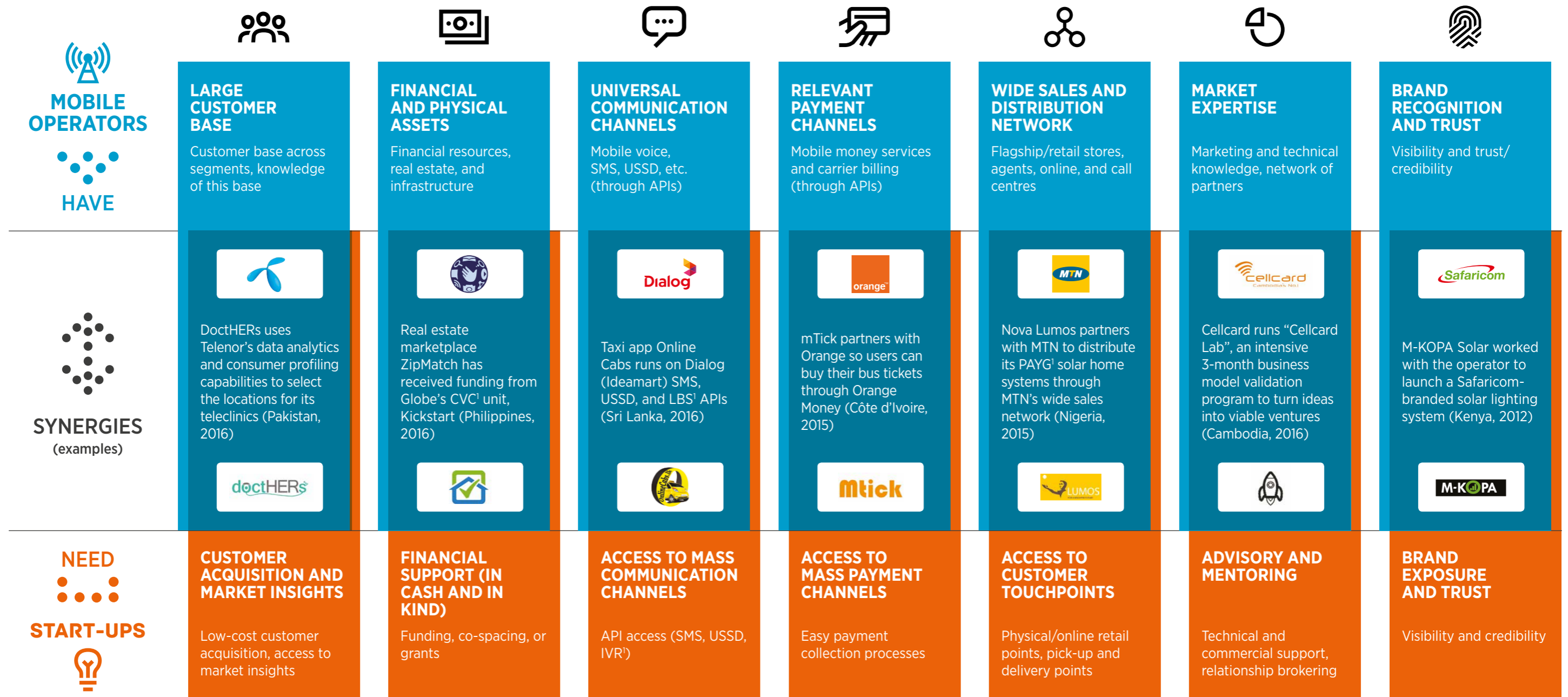
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# 1 Identifying synergies: a framework for mobile operators and start-ups

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.

FIGURE 1

A synergies framework for mobile operators and start-ups in emerging markets: Part 1 - mobile operators' haves and start-ups' needs



Sources: GSMA Ecosystem Accelerator, mTick<sup>8</sup>, ZipMatch<sup>9</sup>, Online Cabs<sup>10</sup>, Nova Lumos<sup>11</sup>, DoctHERs<sup>12</sup>, M-Kopa<sup>13</sup>  
 1. CVC: Corporate Venture Capital; LBS: Location Based Services; PAYG: Pay-As-You-Go; IVR: Interactive Voice Response

FIGURE 1

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<sup>14</sup>, Teta Mobile Chat<sup>15</sup>, Jumia<sup>16</sup>, Singtel Innov8 Connect<sup>17</sup>, Eurasia Mobile Challenge<sup>18</sup>  
 2. SVOD: Subscription Video on Demand; MFS: Mobile Financial Service

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 fulfil 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.

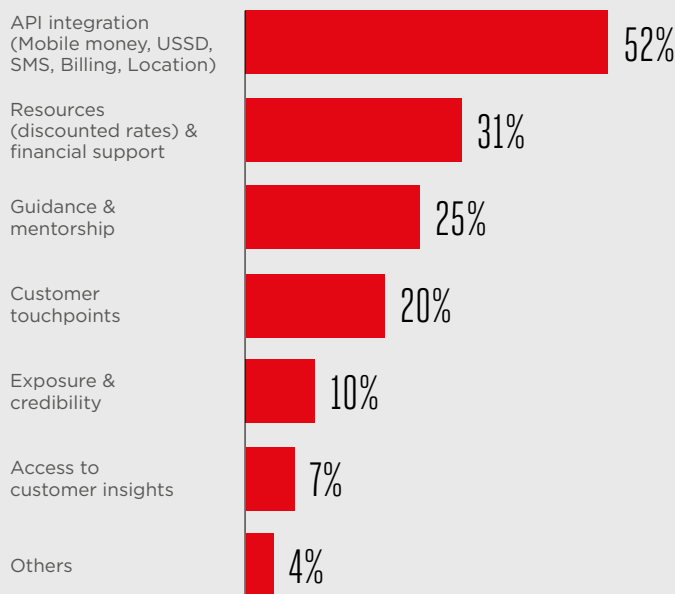
**2. Mobile operators have a range of tools to accelerate a start-up’s growth.** Financial support is only one of these tools. Mobile operators can also support start-ups with customer acquisition and market insights, brand exposure and trust, advisory and mentoring, and providing access to customer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

FIGURE 2

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

In the first round of the Ecosystem Accelerator *Innovation Fund*,<sup>19</sup> 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).

### Type of support



### Examples

“With the technical assistance and support from mobile operators, we would be able to improve our operations by using USSD communication...”

“Zero-rating of our mobile site”, “Any subsidy on data or access fees”

“Technical support to better understand the level of bandwidth availability in rural areas.”

“Sales and distribution Integration across Africa”, “Have our application pre-installed in mobile devices sold to corporate clients.”

“Advertising and promoting our services to increase the number of service providers and users”

“Access to anonymised demographic information about patients to better understand our client base.”

“Having our data hosted at mobile operators’ data centres for countries we operate in.”

Source: GSMA Ecosystem Accelerator Innovation Fund<sup>20</sup>



- 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).



CASE STUDY 1

# 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.

 <b>MOBILE OPERATOR</b>	<b>HAVE</b> FINANCIAL AND PHYSICAL ASSETS	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.  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.	FINANCIAL SUPPORT (IN CASH AND IN KIND)	 <b>START-UP</b>
	UNIVERSAL COMMUNICATION CHANNELS	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 MASS COMMUNICATION CHANNELS	
	RELEVANT PAYMENT CHANNELS	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	
	WIDE SALES AND DISTRIBUTION NETWORK	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.	ACCESS TO CUSTOMER TOUCHPOINTS	 <b>NEED</b>





 **1.4m**  
registered users in Kenya

 **300k**  
monthly active users

 **7,000**  
schools registered across Kenya

 **70%**  
of users from rural areas

 **10**  
new markets planned for expansion

 <b>HAVE</b>	MOBILE-CENTRIC APPROACH	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.	GROWTH OF CORE REVENUE	 <b>MOBILE OPERATOR</b>
	INNOVATIVE & HIGH-IMPACT SERVICES	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.	CUSTOMER ACQUISITIONS	
	NEW BUSINESS MODELS	Safaricom and Eneza operate on a revenue sharing model. Hence, an increase in Shupavu 291 revenue benefits both parties.	NEW REVENUE STREAMS	
 <b>START-UP</b>	HIGH CUSTOMER SATISFACTION	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.	CUSTOMER RETENTION AND SATISFACTION	
	TANGIBLE SOCIO-ECONOMIC IMPACT	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.	HIGHER MARKET REPUTATION	 <b>NEED</b>

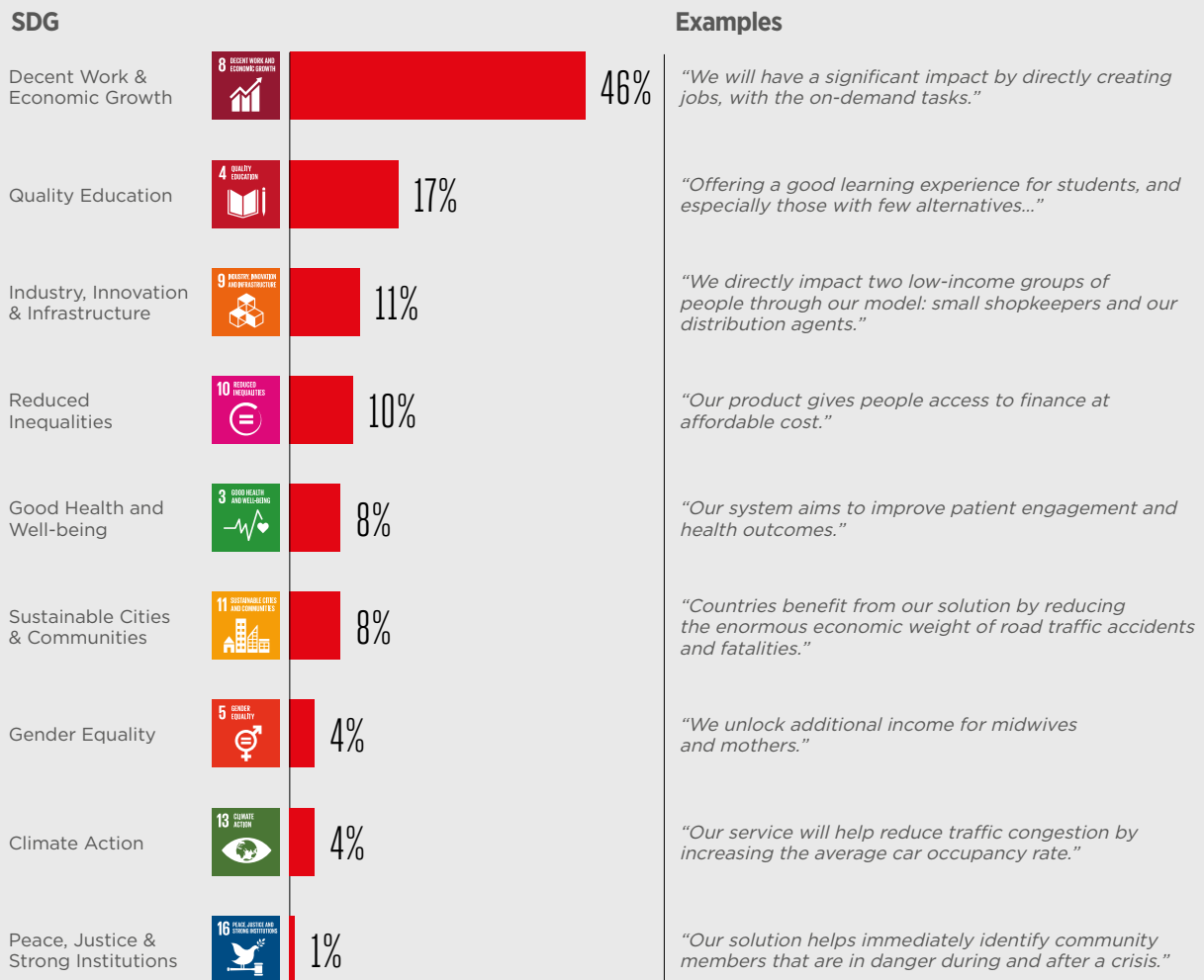
Sources: Eneza Education, Safaricom

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).<sup>21</sup> 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)?



Source: GSMA Ecosystem Accelerator Innovation Fund<sup>22</sup>

CASE STUDY 2

# 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.

HAVE	FINANCIAL AND PHYSICAL ASSETS	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.	FINANCIAL SUPPORT (IN CASH AND IN KIND)	START-UP
	RELEVANT PAYMENT CHANNELS	MTN Mobile Money APIs were integrated across Jumia's platforms to help the eCommerce firm overcome the challenges of low credit card penetration. The integration accelerated the share of mobile payment users in Jumia's customer base.	ACCESS TO MASS PAYMENT CHANNELS	
MOBILE OPERATOR	WIDE SALES AND DISTRIBUTION NETWORK	Jumia has been able to take advantage of MTN's broad range of flagship stores and retail outlets as delivery points in Nigeria, Ivory Coast, and Cameroon.	ACCESS TO CUSTOMER TOUCHPOINTS	NEED
	BRAND RECOGNITION AND TRUST	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.	BRAND EXPOSURE AND TRUST	

\$150m  
revenue in 2015

1.6M  
active customers

30k  
sales agents network across Africa

4k  
direct jobs created since 2013

22  
countries across Africa

HAVE	MOBILE-CENTRIC APPROACH	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.	GROWTH OF CORE REVENUE	MOBILE OPERATOR
	INNOVATIVE & HIGH-IMPACT SERVICES	The exclusive offers granted to MTN subscribers via Jumia have contributed to growth in MTN Mobile Money and mobile acquisitions. Additionally, the collaboration has given MTN the opportunity to showcase its SME services to Jumia Market sellers.	CUSTOMER ACQUISITIONS	
START-UP	NEW BUSINESS MODELS	As Jumia is set up as a joint venture, MTN also generates revenue through this venture. Jumia generated \$150 million net revenue in 2015.	NEW REVENUE STREAMS	NEED
	HIGH CUSTOMER SATISFACTION	The partnership has strengthened MTN's value proposition as the mobile operator offers its subscribers special discounts on Jumia's online services. For example, MTN customers in Ivory Coast are rewarded with free airtime and make payments free of charge when making purchases on Jumia via MTN Mobile Money.	CUSTOMER RETENTION AND SATISFACTION	
	TANGIBLE SOCIO-ECONOMIC IMPACT	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.	HIGHER MARKET REPUTATION	

Sources: Jumia, MTN

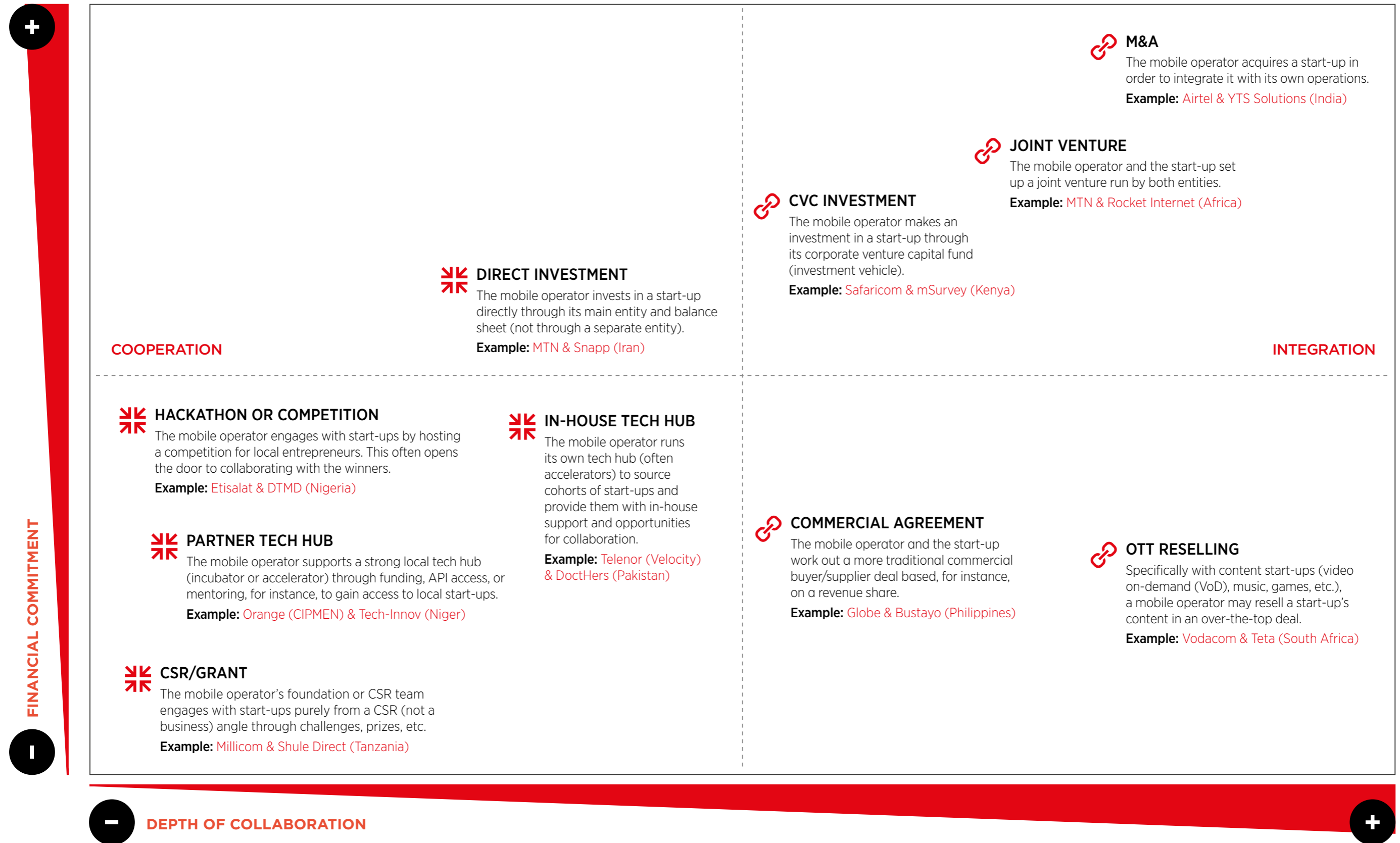
## 2

# 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.

FIGURE 4

Engagement and collaboration models for mobile operators and start-ups



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”,<sup>31</sup> 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.<sup>32</sup> With several start-up investments from MTN,<sup>33</sup> Orange,<sup>34</sup> and Safaricom<sup>35</sup> 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,<sup>36</sup> Dialog in Sri Lanka,<sup>37</sup> or Orange across Africa<sup>38</sup>) or a product reselling deal (more suitable for content-focused ventures like Dobox in Nigeria<sup>39</sup> 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.


 <b>MOBILE OPERATOR</b>	 <b>HAVE</b>	<b>LARGE CUSTOMER BASE</b> DoctHERs have leveraged Telenor’s data analytics and consumer profiling capabilities to pinpoint the best locations for their teleclinics (it will also help DoctHERs to expand across Pakistan). DoctHERs are also reaching out to target customers through Telenor’s location-based SMS services. Pre-consultation SMS push services notify Telenor’s customers living near the telemedicine centres about the service. Post-consultation SMS services keep DoctHERs customers aware of vital information (symptoms, medications, and follow-up details).	<b>CUSTOMER ACQUISITION AND MARKET INSIGHTS</b>	 <b>START-UP</b>
	<b>MARKET EXPERTISE</b> Through Telenor Velocity, the DoctHERs team has access to a community of experts, including Telenor staff. The experts run workshops on topics such as franchising, refining business models, user experience, customer profiling, and engagement.	<b>ADVISORY AND MENTORING</b>		
	<b>RELEVANT PAYMENT CHANNELS</b> Telenor granted DoctHERs access to its mobile money service EasyPaisa as a merchant. EasyPaisa is the largest mobile financial service in the country with close to 8 million registered account holders.	<b>ACCESS TO MASS PAYMENT CHANNELS</b>		
	<b>WIDE SALES AND DISTRIBUTION NETWORK</b> The start-up takes advantage of Telenor’s distribution channels. For instance, its offerings are advertised in EasyPaisa retail stores across the outskirts of Karachi.	<b>ACCESS TO CUSTOMER TOUCHPOINTS</b>	 <b>NEED</b>	





 **500**  
female doctors employed

 **22k**  
tele-consultations provided

 **16k**  
patients supported

 **9**  
teleclinics across Pakistan

 **2,000**  
clinics in 6 countries projected by 2020

 <b>START-UP</b>	 <b>HAVE</b>	<b>MOBILE-CENTRIC APPROACH</b> DoctHERs services provide an incentive for customers to migrate from cash and physical interactions to digital ones. DoctHERs charges 300 Rupees (US\$3) per virtual clinic visit and 100 Rupees (US\$1) in rural communities.	<b>GROWTH OF CORE REVENUE</b>	 <b>MOBILE OPERATOR</b>
	<b>INNOVATIVE &amp; HIGH-IMPACT SERVICES</b> The start-up subsidises customers’ mobile money service fee when they pay with EasyPaisa rather than cash. This preferential treatment to Telenor’s customers, coupled with the affordability of the telemedicine service, can incentivise non-Telenor (or EasyPaisa) customers to become subscribers.	<b>CUSTOMER ACQUISITIONS</b>		
	<b>NEW BUSINESS MODELS</b> Telenor Pakistan took a 2.5% stake in DoctHERs as part of its selection in Telenor’s incubator Velocity. This allows the mobile operator to benefit from DoctHERs’ growing revenue.	<b>NEW REVENUE STREAMS</b>		
	<b>HIGH CUSTOMER SATISFACTION</b> By working with DoctHERs, Telenor offers a unique value proposition. It contributes to EasyPaisa’s customer retention since it adds a healthcare offering to the product portfolio. DoctHERs also provides particular benefits for Telenor customers living in remote areas who do not have access to medical advice.	<b>CUSTOMER RETENTION AND SATISFACTION</b>		
	<b>TANGIBLE SOCIO-ECONOMIC IMPACT</b> The Telenor Pakistan initiative, Naya Aghaaz (New Beginnings), targets women who want to return to work, aligning with DoctHERs’ objective to increase the proportion of practicing female doctors. In Pakistan, while women account for 70% of medical students, only 23% are registered doctors. DoctHERs has already re-integrated over 500 previously excluded female doctors into their profession while providing high-quality healthcare to over 16,000 unique individuals.	<b>HIGHER MARKET REPUTATION</b>	 <b>NEED</b>	

Sources: DoctHERs, Telenor (Find out more about Telenor Pakistan initiatives in mHealth here: <http://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?

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 <p>MTN Group</p>	 <p>Orange MEA</p>	 <p>Safaricom</p>	 <p>Telenor Pakistan</p>
 <p>Vimpelcom</p>	 <p>All our GSMA colleagues for their expertise and support</p>		

## 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:  
[http://www.adlittle.com/downloads/tx\\_adlreports/ADL\\_Telco\\_Start-ups\\_OpenInnovation.pdf](http://www.adlittle.com/downloads/tx_adlreports/ADL_Telco_Start-ups_OpenInnovation.pdf)

### NESTA:

- Winning Together: A guide to successful corporate-startup collaboration  
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