NUTS & BOLTS

Strengthening Africa's Innovation and Entrepreneurship Ecosystems

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3 June 2021

SIBANDA LEGACY
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Outline

- The Story Behind the Story
- Innovation and Entrepreneurship Culture
- Incubation and Pipeline Development
- Funding the Gap
- From s Science Park to an Innovation Agency
- Drivers for Growth in Africa
- Hubs Enabling Innovation and Entrepreneurship in Africa
- Concluding Remarks

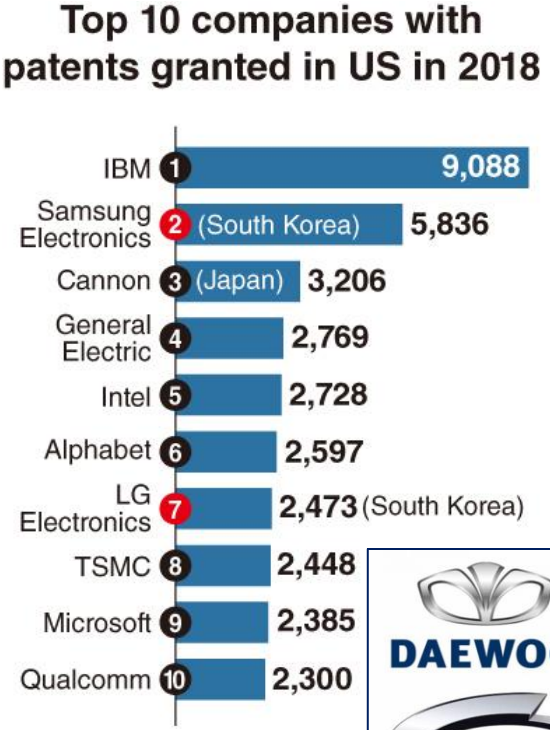
The Story Behind the Story

- 2010 Oct – TIA Group Executive Commercialisation and located at Head Office at Enterprise Building The Innovation Hub
- Call reposition The Innovation Hub to focus on innovation
- February 2011 assumed role
- 45 / 90 Days lessons and repositioning strategy
- Sectorial Reposition: Bioeconomy, Green Economy, Smart Industries
- Resourcing
- Towards Innovation Agency

Innovation and Entrepreneurship Culture

"… innovation doesn't come just from giving people incentives; it comes from creating environments where their ideas can connect." Steven Johnson

- In early years of development – combination of own R&D capabilities + acquisition of third party IP / tech to kick start industrial activity
- Entrepreneurship about building the future
- Ecosystems are critical to innovation



Innovation

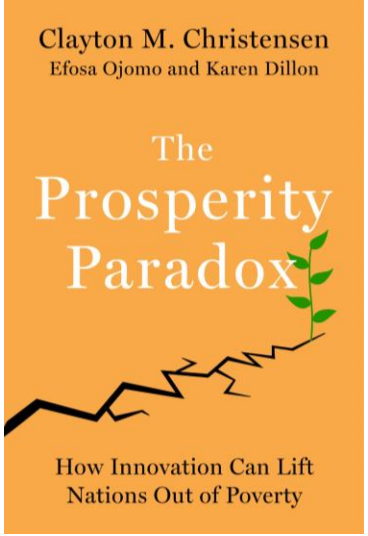
- … the practical implementation of ideas that result in the introduction of new goods or services or improvement in offering goods or services
- Technological and non-technological innovations
- Turning an idea into a solution that adds value from a customer's perspective

Innovation (Prosperity Paradox)

- … is a change in the process by which an organisation transforms
  - Labour
  - Capital
  - Material
  - Information

 into products and services of greater value

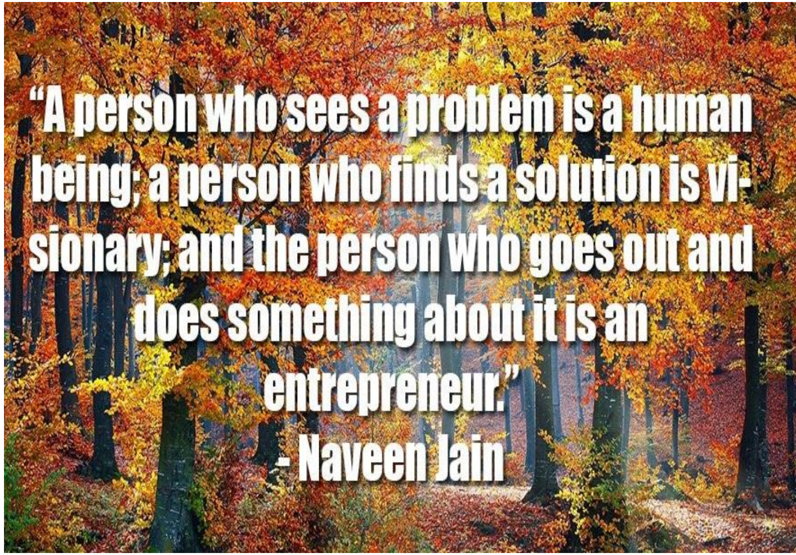
- Three (3) types of innovation
  - Sustaining innovations
  - Efficiency innovation
  - Market-creating innovation



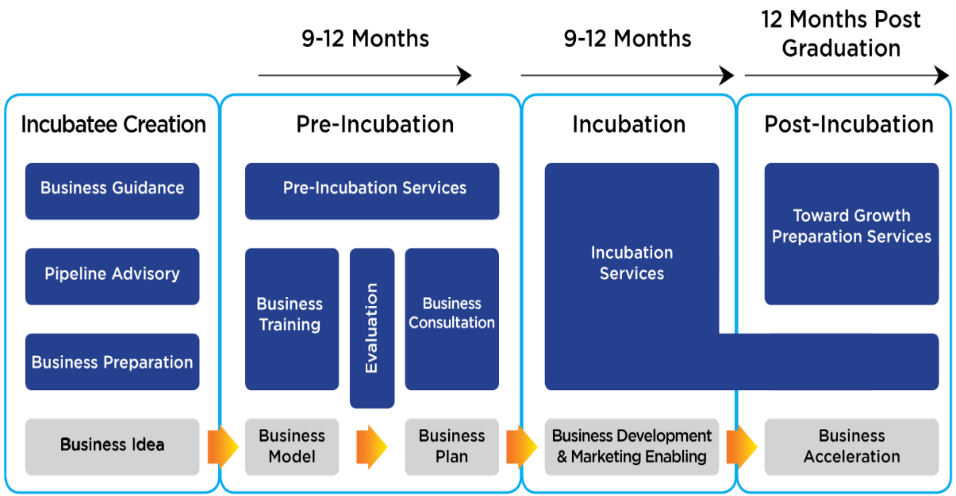
	Impact on	Market creating	Sustaining	Efficiency
1.	Capital	Uses a lot	Uses little	Frees up
2.	Jobs	Creates a lot	Creates a few	Eliminates
3.	Consumption	Increases	Substitutive, so little impact	Very little to none
4.	Margins	Lower	Higher	Same or higher
5.	Payback period*	Long: 3 years and up	Short: 1 to 3 years	Very short: 0 to 1 year
6.	Payback	Very high	Medium	Low to medium
7.	Strategy	Emergent and undefined	Deliberate and defined	Deliberate and defined
8.	Value network	New	Same	Same
9.	Market	Creates new	Already defined	Already defined
10.	Economic Development	Significant	Marginal	Can be negative

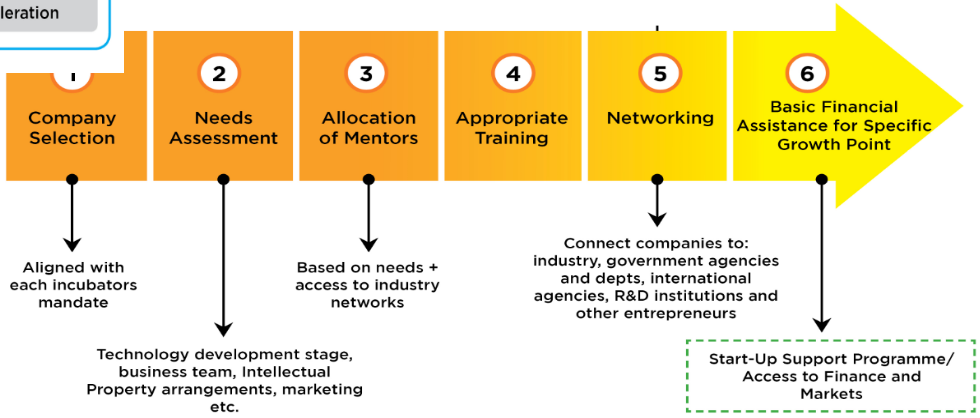
Entrepreneurship

- Willing and able to *convert a new idea or invention* into *a successful innovation*
- Innovatively combine *various input factors* to *generate value to customer*
- … the value will exceed cost of input factors, and *generate superior returns*
- Three characteristics of an entrepreneur
  1. value producing activity
  2. individual goal
  3. process



Incubation and Pipeline Development





Incubation and Pipeline Development

- Competitions to feed incubation pipeline (sectorial approach)
- Celebrate ingenuity of provincial innovators
- Partnerships critical
  - Emory University / Goizueta Business Business School
  - Industry / Government
  - Academic & Research Institutions
- Prize
  - Cash + seed funding
  - Incubation

Funding the Gap – the SSP

… no lack of funding in South Africa the available funding is misplaced, and in certain cases, is controlled by people that have never built a business or understand how to appropriately fund start-ups."

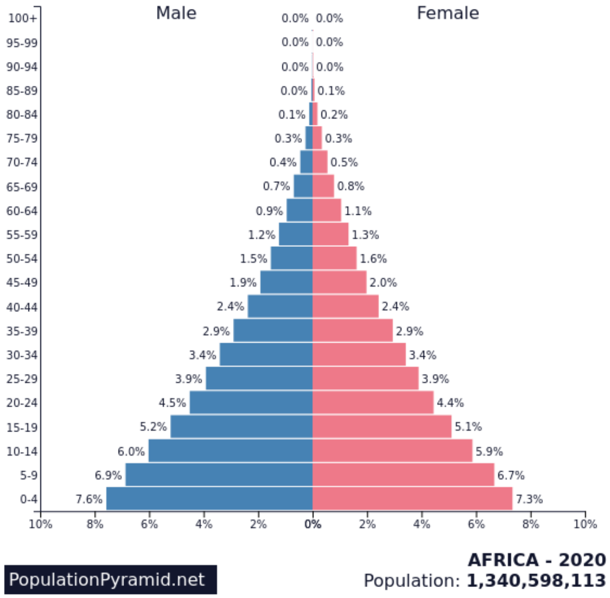
- GAP funding ZAR50k-1m
- Quick decision making
- Credible investment committee
- Bridge to other sources of funding

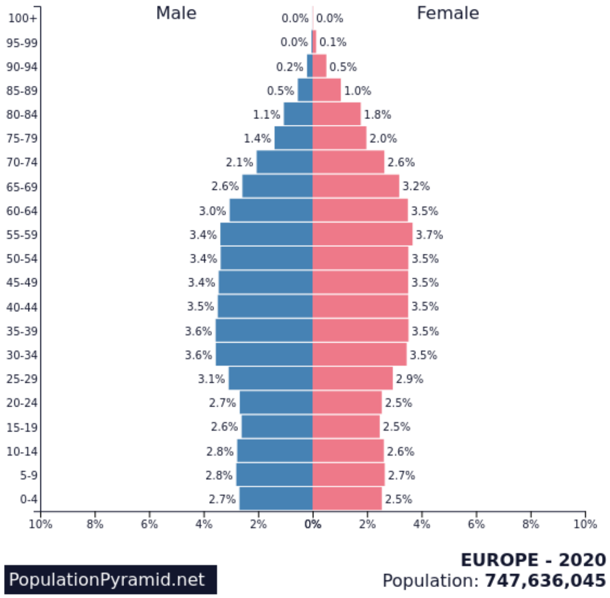
From a Science Park to Innovation Agency:

(Inclusivity, Incubation and Skills for Future)

Africa is Young and Growing

What does this mean for the rest of the world?





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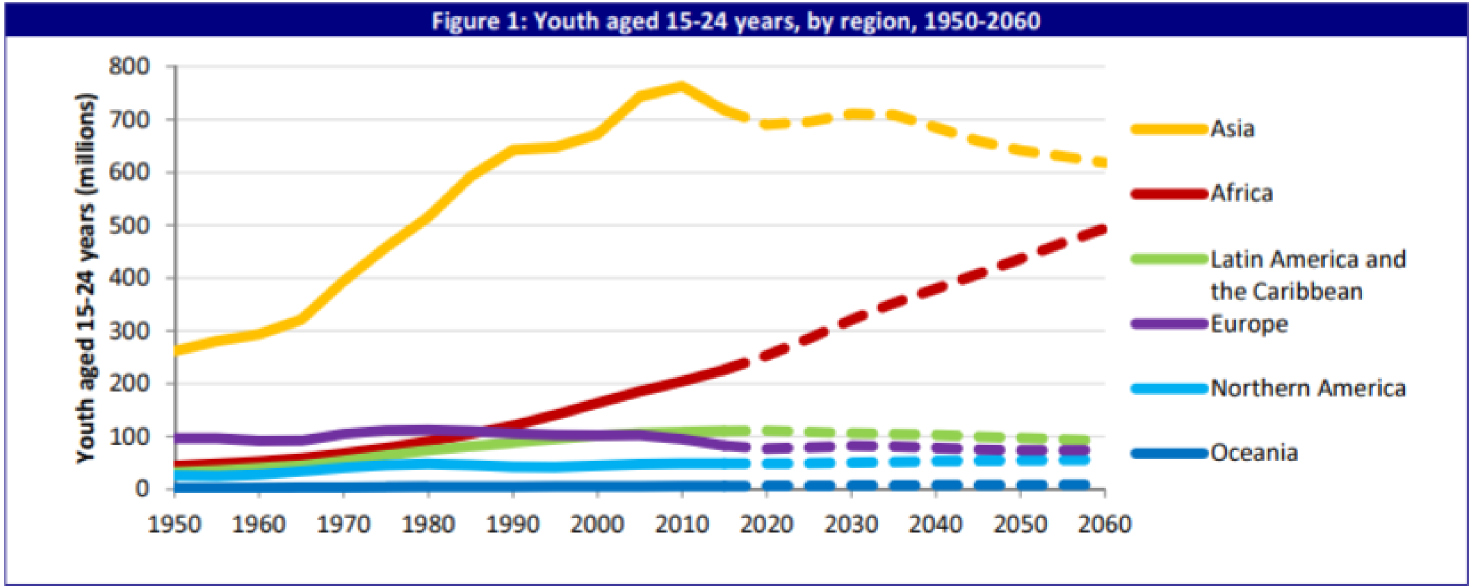
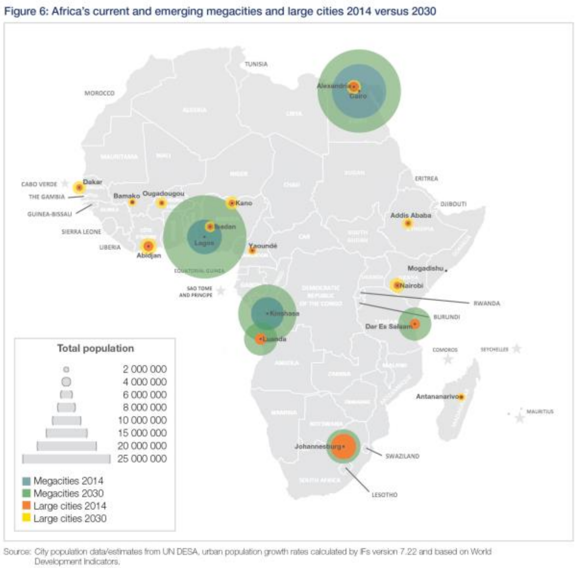


Data source: United Nations (2013) *World Population Prospects: The 2012 Revision.*

https://www.un.org/esa/socdev/documents/youth/fact-sheets/YouthPOP.pdf

Nairobi, Kenya

Durban, South Africa



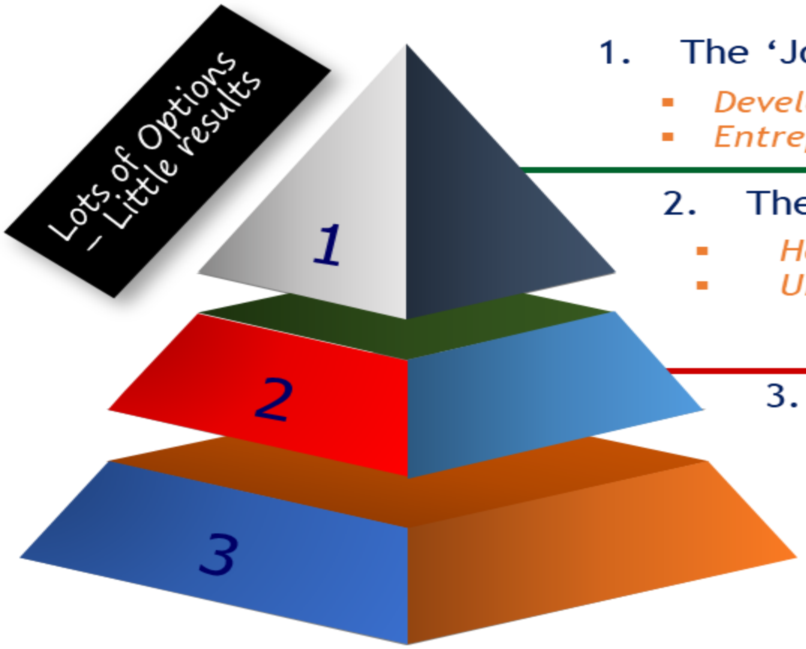
Lagos, Nigeria

Growth of Megacities in Africa

Unemployment, Inequality, Poverty, Climate Change

Innovation and Entrepreneurship

High Growth SMEs through Science Based Innovation and Technology



1. The 'Jockey': Develop The Entrepreneurial Mindset
   - *Development of entrepreneurial skills*
   - *Entrepreneurial culture*

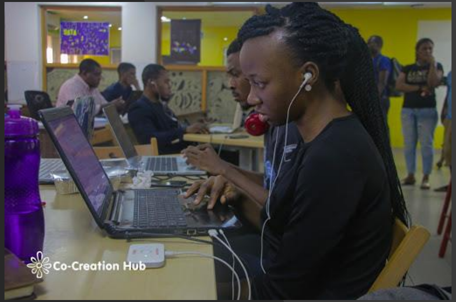
2. The 'Horse': Develop The Business Model & Business
   - *Healthy pipeline of intellectual property / technologies*
   - *Understanding of Market and Opportunity*

3. The 'Racecourse': Access to market, access to resources, access to finance
   - *Right mix of financing instruments*
   - *Enabling infrastructure*
   - *Market structure / government procurement as source of stimulating innovation*
   - *Relook Procurement Regulations*

Hubs Enabling Innovation & Entrepreneurship

The Innovation Village, Kampala, Uganda

The Bandwidth Barn, Cape Town, South Africa



Co-Creation Hub, Lagos, Nigeria

The Innovation Hub, Pretoria, South Africa

Konza Technopolis, Kenya

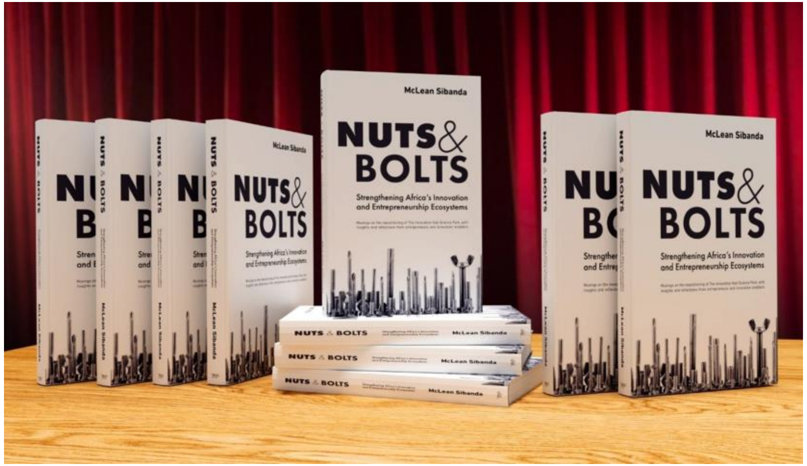
Tshimologong Precinct, Johannesburg, South Africa

Concluding Remarks

- Beware of fallacy of “Build it and they will come”
- Need for demand led innovations (AfCFTA)
- Cape Town’s Foreshore Highway
  - Conceptualised and <u>designed</u> in late 1960s
  - … to alleviate future traffic congestion con<u>ne</u>cting poorer parts to places with higher paying jobs
  - Work began in early 1970s

- **Entrepreneurial universities:**
  - Effective IP Management / Commercialisation
  - Incentivise entrepreneurship
  - Don’t meddle in tech transfer decision making
  - Partner (incubators, funders, industry, ecosystem)

Thank you!



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"A book written to be understood. Refreshingly honest and open""

Dr Niel Kruger

Lecturer – University of Johannesburg

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