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## **Venture Building Series**

### Topic 4: Scaling and Growth





**The  
97  
Fund**

By Innovation Village ©

## OVERVIEW

The 97 Fund managed by **Ortus Africa Capital**, is an Open-end Investment Vehicle (HoldCo) (“the Vehicle”) that builds and invests in high growth early stage companies. **The 97 Fund adopts a Venture Builder + Fund model.**

### Sectors Covered:

Fintech, Health, Transport and Logistics, Supply Chain, Insuretech, Energy, AgTech, EdTech, Tourism, Manufacturing, Media and Creative Arts.

### Region(s) Covered:

Domiciled in Uganda with East Africa coverage and potential for jobs of the future at scale amongst women and youth.

The 97 Fund takes an active, hands on approach that leverages our entrepreneurial and early stage expertise.

At The 97 Fund we help entrepreneurs to increase their chance of success by applying extensive operational knowledge and providing access to networks, capital and funding.

<https://covid19.cda.ug/>



Young  
Africa  
Works

**Brief:** The Mastercard Foundation’s new strategy, Young Africa Works, outlines how, over the next decade, it will focus on finding solutions to the youth employment challenge and reducing poverty in Africa.

**Role:** Vehicle setup; Anchor Investor (Covid19 Relief Fund)



**Brief:** The Innovation Village is a destination entrepreneurs call home. Their purpose is to deliberately grow innovation by putting in place a platform that challenges assumption, ignites thought and questions status quo.

**Role:** Pipeline Sourcing; Venture building support

## PARTNERS



**Brief:** Ortus Africa Capital is an Advisory and Investments firm, building Africa’s largest multi-assets alternatives investments platform.

**Role:** Investment management and operations; Compliance; Venture building; Pipeline sourcing and screening



**Brief:** The Kampala Angel Investment Network (KAIN) gathers innovators, entrepreneurs and Angels under the mutual objective of bringing IDEAs to life.

**Role:** Pipeline Sourcing; Co-Investment partners

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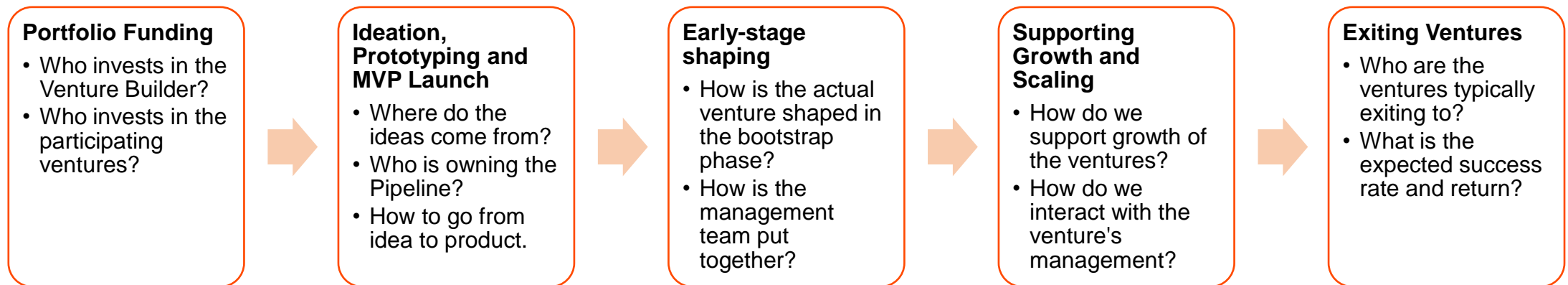
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## Recap, Venture Building Series #1: The Venture Building Approach

*Venture building is a business and product development approach that enables an organization to create new products, services and processes from scratch.*

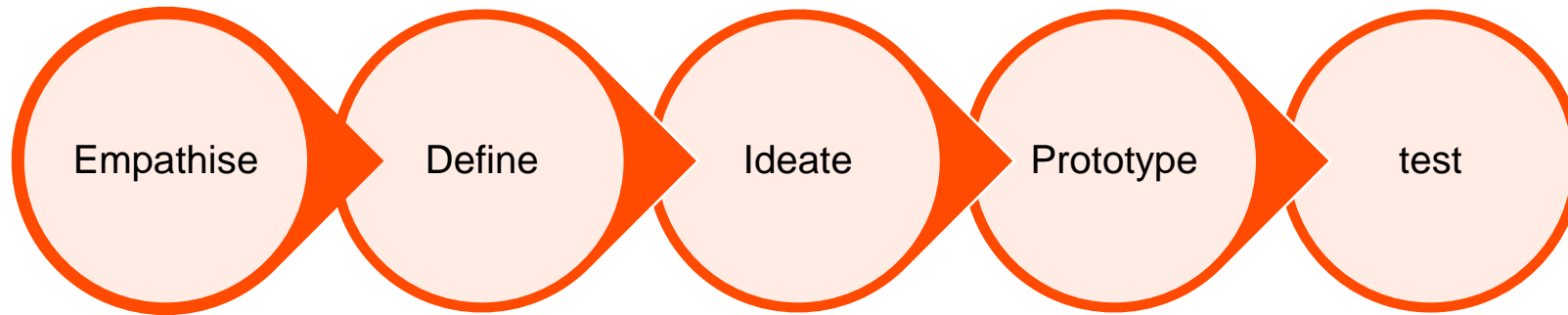
*A Venture builder, also called a startup studio, startup factory, or venture studio - an organization dedicated to systematically producing new companies using their own ideas and resources, which they help grow and succeed.*

*Venture Builders take the following approach:*



## Recap, Venture Building Series #2: Ideation, Prototyping and MVP Launch

### *The Design Thinking Process*



- Researching and observing in field studies – and watching, engaging with and listening to your users.

- Goal is to construct a meaningful and actionable problem statement.

- Coming up with ideas by breaking your problem statement into smaller actionable pieces.

- A simulation or sample version which enables you to test your ideas and designs.

- Once you've created a prototype, you'll need to put it in front of real users.

The minimum viable product (MVP) is that version of a new product or service which allows a team to collect the maximum amount of validated learning about customers with the least effort.

## Recap, Venture Building Series #3: Early Stage Shaping

Venture Builders either hire a management team or external consultants to work with the ventures to help them refine and align their business models to their target market and geography through achieving **product-market fit** and **problem-solution fit**.

### Product-Market Fit

- Customer segmentation
- Understanding customer needs
- Winning value proposition

### Problem-Solution Fit

- Persevere
- Pivot

## Defining Scaling and Growth

Scaling is a business's ability to increase revenue generated by one unit of resource and Growth involves a business raising funding and using the funds to recruit / expand.

Venture Builders help grow your business by offering industry-tailored services that can be leveraged across all portfolio companies by exploring the ventures through an intensive learning program that covers the following areas; Introduction to the Industry/Sector/Market, Business strategy & Operating Model, PR and branding, Growth marketing and demand generation, Engineering and Infrastructure, User experience and product development, Financial Planning and Reporting, Legal, corporate structuring, stock planning, Tax structuring, planning and compliance, Fundraising; and HR and Administration Support that support scaling and growth.

There are three kinds of scale that businesses focus on:

- 1) Growing revenues
- 2) Growing customer base
- 3) Organization growth



### Questions to ask

Is your business capable enough to grow?

Does it have the capacity to accommodate growth?

*Scaling is about **strategic growth** within a **suitable framework**.*

## Scaling vs Business Growth

### Scaling

vs

### Growth

**Scaling refers to the increase in revenue without a substantial increase in resources**

*Example of scaling*

*A company gains \$50,000 in new revenue for which they spend only \$5,000 on marketing automation tools to allow more efficient marketing to a wider audience. The businesses' gains outpaced its losses, allowing it not only to grow but also to scale.*

When businesses scale, they add revenue at a faster rate than they take on new costs/ resources.

**Business growth refers to an increase in revenue as a result of an increase in resources (capital, employees, technology)**

*Examples of Growth*

*A company gains \$50,000 in new revenue, but in order to do so they had to hire a new sales agent with a \$50,000 salary. The business gains and losses are evened out, so even though the company is growing by one new employee and corresponding uptick in revenue, it really has not gained much value.*

When businesses grow, they are increase their revenue as fast as they are add costs/resources to enable that revenue increase.



## Indicators of need for Scaling and Growth

However, there are indications to when it's time to take that next step and scale your business in search of new customer acquisition, new revenue sources, and better brand recognition.

### Some of those indicators are:

- ❑ When employees are unable to handle the workload.
- ❑ When long-term business goals are unachievable.
- ❑ When you have a repeatable sales model that doesn't require immediate changes.
- ❑ When your numbers say you're good to go.

### Critical questions to ask

- ❑ Is there enough demand for your product or service?
- ❑ Do you have your finances in order?
- ❑ Are you updated with the latest tech reforms?
- ❑ Are you aware of your customer expectations?
- ❑ Do you have the right processes in place?
- ❑ Do you have the right team in place?

# Steps to Scaling and Growth

## 1. Evaluate and Plan

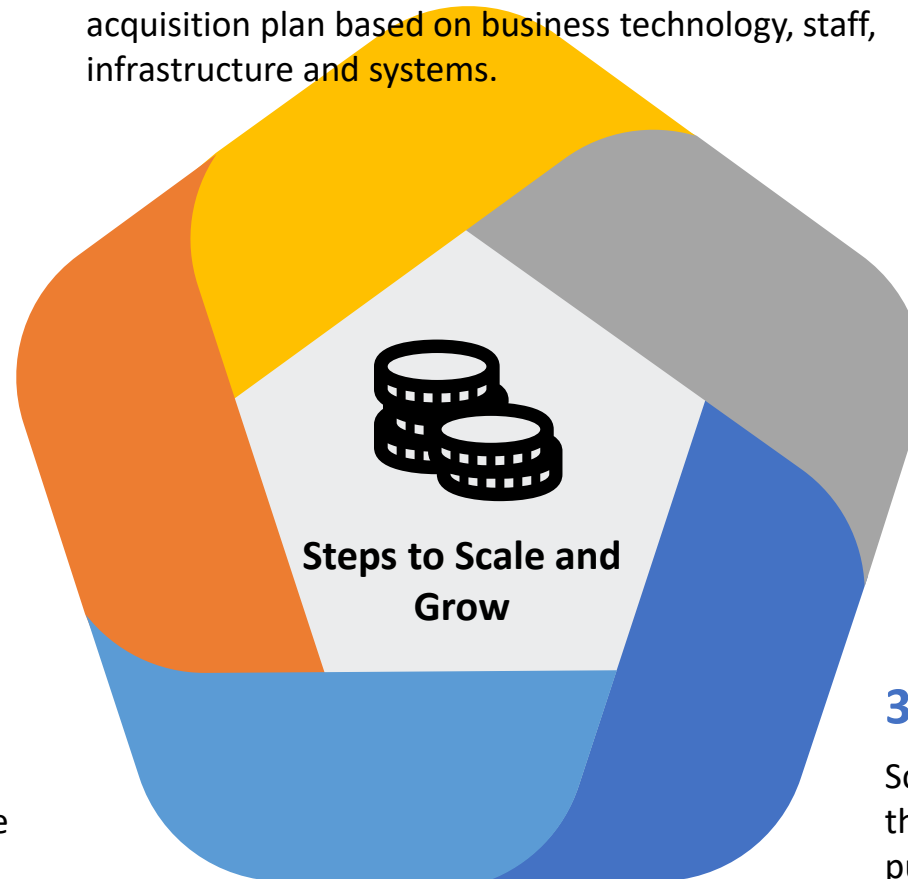
Evaluate the business to determine whether it is ready for growth. Planning for scaling involves detailed sales and expense forecasts, specific sales acquisition plan based on business technology, staff, infrastructure and systems.

## 2. Fund Sourcing

The business growth plan involves a lot of expenses therefore its necessary to find money to invest for growth.

## 3. Secure the sales

Scaling assumes more business sales, therefore a sales structure should be put in place to ensure more sales are generated.



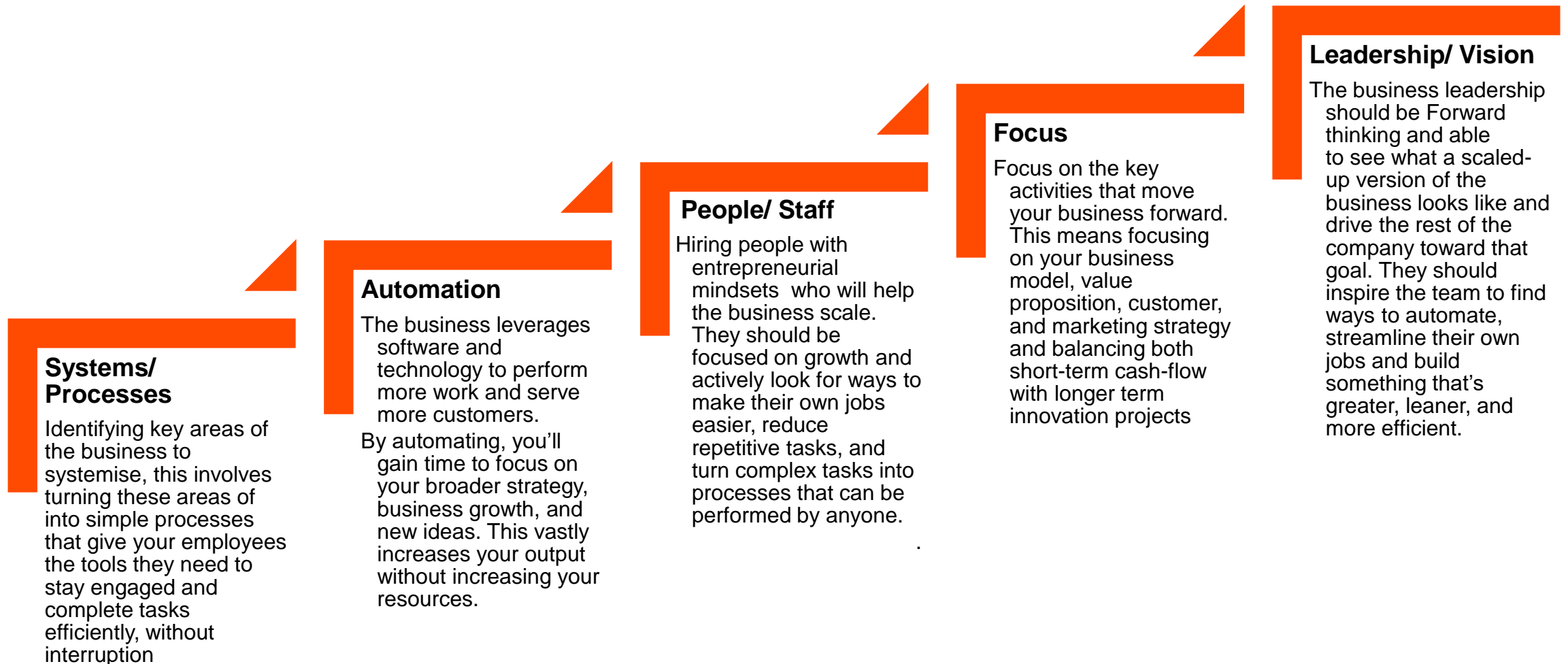
## 5. Find Staff/ Outsource

Scaling requires the business to hire performing people that will push and help the business grow

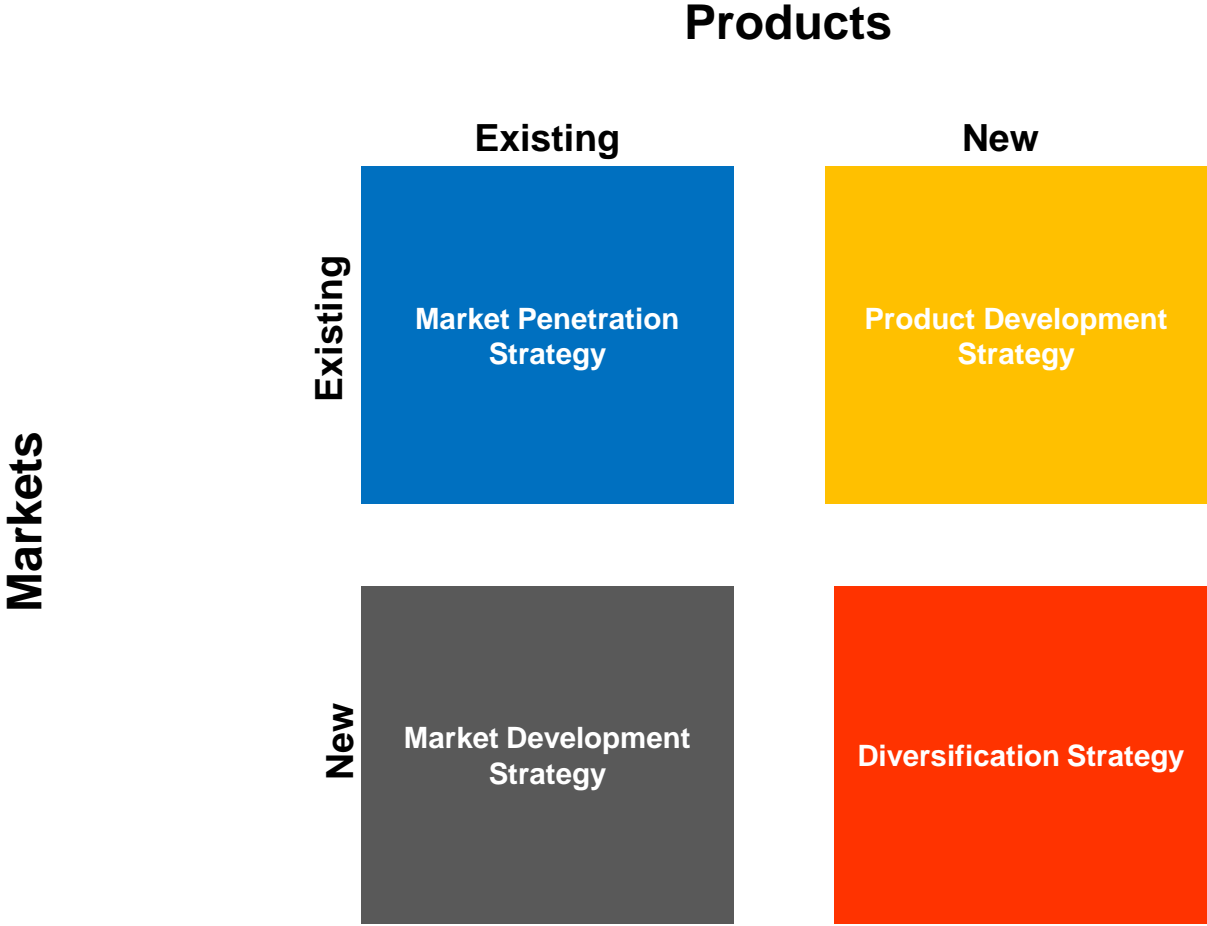
## 4. Invest in Technology

Technology makes business operations easier and less expensive to scale. This can be through automation and system integration.

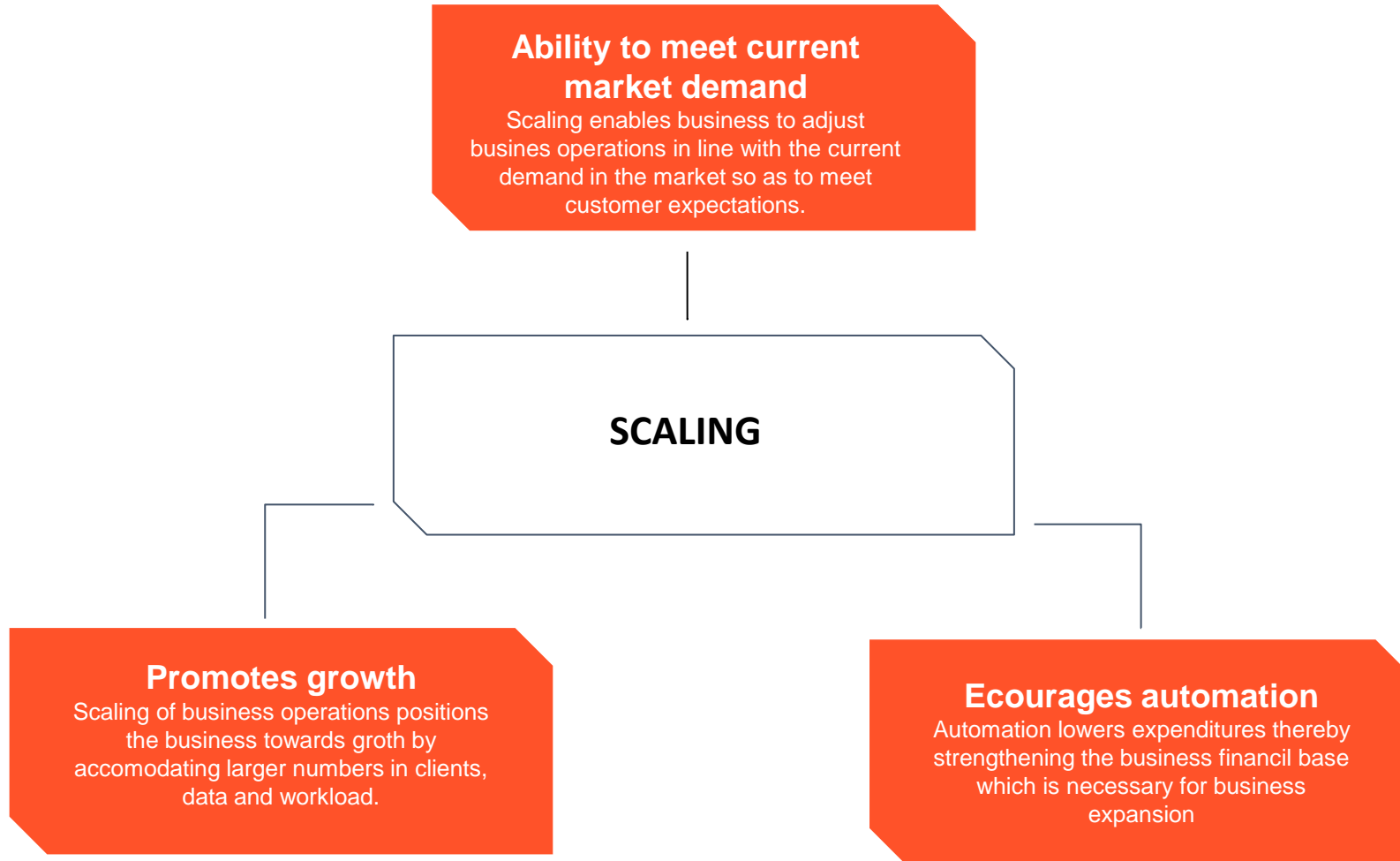
## Strategies for Scaling



# Strategies for Growth

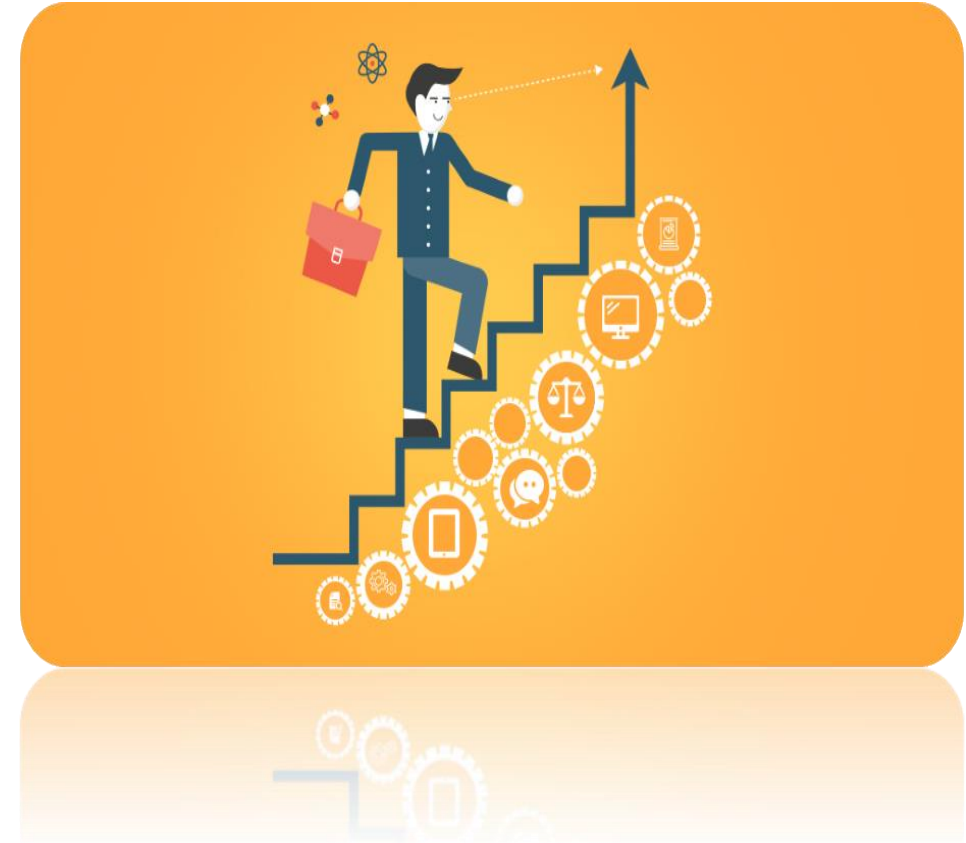


# Importance of Scaling



## Conclusion

Scaling a business begins from its ideation stage. You must have a clear idea of where you want your business to be 10 years down the road, the strategies used for scaling a business is what differentiates a small business, a startup and/or a profitable organization from each other.



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**FINAL SESSION – Date TBC**

**TOPIC 5: EXIT**







Q&A

# Connect

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