

Q&A: Growing B2B technology businesses with SW7

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Technology companies have the opportunity to thrive as key players in the age of the digital revolution. With the agenda of the 4IR currently at the forefront in South Africa, the empowerment of small tech businesses is critical especially as they are the backbone of the economy.

SW7, together with together Amazon Web Services (AWS), recently launched a Virtual Business Accelerator for B2B tech businesses in Africa. SW7 helps tech startups by providing business growth support – without requiring equity in exchange. With the largest tech mentor pool in Africa, of more than 100 CEOs, the accelerator has benefited over 300 tech businesses to date.

We chat to Keith Jones, co-founder of SW7, to find out more about the South African tech accelerator platform and find out about some trends can we see from small tech businesses in 2020.



Keith Jones, co-founder of SW7

 **Can you tell us a bit about Sw7?**

SW7 is a technology accelerator in Africa. We have worked in technology businesses for more than 20 years and have worked with and supported over 300 technology businesses during the past seven years.

We have over 100 tech CEOs and founders that mentor for us, have run nine structured programmes to improve our approach and processes and launched the first global accelerator programme and the first fintech accelerator in Africa.

■ ***When, how and why did you get started?***

We started out trying to help individual technology businesses launch or scale. We realised it is quite challenging to offer real value and looked for a more structured and scalable approach. We launched the first global technology accelerator programme in Africa in 2013 having found that global programmes were not suited for our markets and offer limited value at a point in time and in a fixed location to a few businesses.

We felt that if we wanted to offer value, we needed to create a customer and market-centric approach focused on addressing the complexities of launching and scaling technology businesses in our markets. After that, we were 'hooked'. It's been a fantastic learning journey.

■ ***What is the core function of Sw7?***

Our core function is to provide emerging and scaling technology businesses with the community, information sharing, resources and support they need to survive and scale. We do this in a way that serves the needs of the business at that point in time. The process and approach is open and inclusive, meaning businesses can join from anywhere, at any time and stay as long as they need.

■ ***Could you tell us what services SW7 offers?***

Sw7 offers a blend of high touch and low touch support. Businesses choose the blend that best suits them.

High touch support ranges from board advisory, strategy reviews, mentorship and problem solving, peer community support and business networking. Low touch is the digital self-service platform that offers content, community, resources, tools and templates to create, track and measure their strategic goals.

■ ***What are some of the obstacles you've had to overcome since starting out?***

It's been a bumpy road. Finding the right structure and approach to offer value to the entrepreneurs has been challenging. Entrepreneurs are the most impatient and demanding customers you could choose to service. Finding the right support partners has been very challenging. There is a big gap between businesses that state they want to support entrepreneurs and businesses that are committed to offering real value.

However, a company like Amazon Web Services (AWS) is proactively developing small businesses as they are drivers of economic growth and accelerate job creation. Through the programme AWS Activate, we partnered with AWS to launch a virtual tech business accelerator wherein we provide startups with the resources they need to get started on AWS in order that they may be able to leverage AWS infrastructure, these resources include credits, training, and support – helping them to grow and scale.

■ ***4IR currently is at the forefront in South Africa. The empowerment of small tech businesses is critical, especially as they are the backbone of the economy. What advice would you give to aspiring entrepreneurs?***

We see 4IR as another buzzword, innovation is, ironically, not new; business is not new, the rate and pace of change is increasing but it's not off a zero base.

“ The advice to every entrepreneur: if you stay focused on delivering a great experience and substantial value to your

customers, you can build a big business. Everything else is a distraction. ”

■ **What does the future of entrepreneurship look like to you?**

Shifts in technology and customer behaviour create opportunity. We are seeing a compounding effect of rapidly improving technology and increasing customer behaviour shifts which means we will see more and more opportunities.

We live in a capitalist market so competition will increase with the opportunity. It will remain very challenging to launch a business, there are limitless opportunities and the possibilities of building a big business are very real if you remain focused on the customer and the core fundamentals in your business and don't get distracted by vanity metrics.



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■ **What do you think is the importance of startup accelerator/incubator programmes?**

Every ESO (Entrepreneur Service Organisation) has value to offer, the small business has to decide what they need when they need it and what is right for them.

Many accelerators leverage the Western equity and VC models which serve less than 1.5% of businesses in our markets. The ESO's have limited reach and currently service less than 10% of the community. This is useful but is not inclusive and is not going to create the systemic lift we need in our markets.

■ **What would you like to see changed in the South African startup landscape?**

We have a lot of funding and capital available from a number of different and increasing sources, enough to create systemic lift. Mandate driven capital is the largest risk we face - as it is often soft capital and not outcomes-based, it provides a distraction to the entrepreneurs by consuming their limited resources and not offering them a real return.

Our entrepreneurs are our most valuable resource and deserve better. We see a lot of financed entrepreneurial failures and very few financed successes. We need to distribute outcomes-based capital in smaller amounts with less friction directly to more entrepreneurs (rather than in the form of free office space or non-needs based structured training programmes).

Success can only be measured in a material lift in the business. Releasing uneducated and mandate driven capital through existing ineffective channels is more destructive than helpful in underserved markets.

■ ***What do you believe are the traits an entrepreneur needs in order to succeed?***

Grit, self-awareness and customer empathy.

Grit to carry on when the journey becomes deeply challenging, as it inevitably will. Self-awareness to be able to process data and signals from the market, their team and customers about what they should do next. Customer empathy to make sure they are solving a problem the customer wants to be solved in the way they want it solved.

■ ***Why would you encourage someone to become an entrepreneur?***

It's a deeply uncomfortable journey, we are not sure we would encourage anybody to do it! It's more of a calling, something inside you draws you in and there is little you can do to resist. We do our best to support people that have taken the plunge, the decision to jump in is already made inside of you. If you are successful, it's the most liberating and rewarding business journey you can have, it's also the most challenging path you could choose.

■ ***What trends can we see from small tech businesses in 2020?***

Our markets are digitising from the bottom, just about every sector you can name will begin to be disrupted with technology advancements enabling the ability to offer a high-quality service at a lower cost. The technical barriers to entry are tumbling.

The B2B sector offers the most opportunities in our markets, we have a strong business economy looking for value and you can monetise off a relatively small base. We would expect to see a shift away from 'growth above value' hype cycles and a bit more sanity around needs-based selling and good business fundamentals driving growth.

We would strongly suggest emerging businesses steer clear of any corporate or enterprise engagements for the early part of their journey as the deal cycles can vary from 9 to 36 months and most corporates are not in a position to onboard and engage with or support small businesses in an efficient manner.

■ ***How did Sw7 partner with AWS to launch the Virtual Business Accelerator?***

AWS is the global leader in cloud technologies, they are already a natural choice for many of our businesses. They have a massive appetite to support emerging and scaling technology business in Africa and the team we are working with has high empathy for the entrepreneurial journey. This combined with the imminent launch of the AWS Region in Cape Town later this year makes them a great partner for us and our community.

■ ***How can entrepreneurs benefit from the partnership?***

SW7 focuses on supporting businesses with what they need and when they need it on their journey. We break down the effort of the technology entrepreneurial journey as 15% technology, 40% figuring out how to engage with and support customers in a way they want, 40% creating and mobilising effective access to market channels and 5% 'the rest'.

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