

# Agile and Anticipatory

Exploring How Strategic Foresight May Strengthen Product Strategy Through the Lens of the Fintech Start-Up Ecosystem in Africa.

**By: Alyza Devraj**

Submitted to OCAD University in partial fulfillment of the requirements for the degree of Master of Design in Strategic Foresight and Innovation

Toronto, Ontario, Canada  
2021



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# Abstract

Start-ups often define a future goal, called product vision and then take an iterative path to get there, called *product strategy*. While a start-up may know where it wants to go, there's a contextual landscape evolving around a start-up that may drive, inhibit, and/or complicate its ability to iterate on its product strategy and achieve its product vision. This research seeks to understand the current practice of product strategy at start-ups, through the lens of the fintech start-up ecosystem in Africa, and to explore how we may borrow from strategic foresight to embed more anticipatory thinking in a way that it complements current processes and thinking about the future. The fintech start-up ecosystem in Africa has flourished in recent years and is poised for continued rapid growth. Through a combination of interviews with industry professionals and a review of existing literature, this research probes the current product strategy practice of fintech start-ups in Africa and suggests how start-ups and other interested stakeholders in the ecosystem may adopt a wider, more anticipatory view of forces of change in the surrounding ecosystem, identify possible implications and impacts of change, and integrate them into their practice of product strategy. A tool specifically adapted to this context to help start-ups integrate anticipatory thinking is offered.



# Acknowledgments

This work would not have been possible without my amazing crew:

To my First Mate, Suzanne Stein — you always knew where this project had to go, even if it took me a while to catch up. You inspire me to embrace my creativity and to play in the depths of my thought spirals. Thank you.

To my Second Mate, Farouk Jiwa — you made me feel heard even while I was still figuring out how to communicate. Thank you for the thoughtfulness, generosity, and curiosity with which you approached this advisory.

To my Lead Deckman, Cindy Ly — you so expertly weaved together all the elements of this project. Thank you for your vision, your patience, and your impeccable work.

To my Steward, Khalid Kurji — you fed me, you talked me down, you read every version, you welcomed the post-its I put on all the walls, and most of all, you believed in me when I couldn't. Thank you.

To the bright stars of the best SFI cohort ever - your chats, check-ins, walks and air hugs have kept me going. Thank you for the light, joy, and intellectual curiosity you've infused into this co-created journey of ours.

And finally, to my family —

***“If you want to build a ship, don't herd people together to collect wood and don't assign them tasks and work, but rather teach them to long for the endless immensity of the sea.” - Antoine de Saint-Exupery***

Thank you for teaching me to long for the endless immensity of the sea.

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# Preface

Rewind the clock by a few years and you'll find me on a beach chair at a hotel in Dakar, Senegal stuffing a fataya in my mouth, typing up a report on my assessment of the fintech ecosystem in francophone West Africa, and reflecting on what would be next for my career. I had spent the last few years in various African countries as a Product Manager working for, studying, spending time with, and getting to know companies that were using fintech to build financial systems and to boost financial inclusion across Africa. Some of these companies were built like technology companies, where their core competency was building scalable products. These companies promoted a lean and agile approach that focused on growth and moving fast, but often paid less attention to the contextual environment or social impact of their products. Other companies were non-profits, or impact-first organizations where technology was not necessarily at the core of their model, but for whom financial inclusion was the ultimate goal. These companies were highly considerate about how their products fit into the lives of their customers. While still others, tech-driven social enterprises, tried their best to strike a balance between impact and scale, but often leant to one side or the other, depending on the type of funding they received.

It made me wonder – was there not a way to scale fast, in a way that was grounded in user need, while also being conscious of impact, sustainability, and profit? Could we not be lean and agile, but also deeply thoughtful about how the products we were building fit into the contextual environment at a systems level and at the level of our intended user's day to day life? What would happen to some of these products if governments decided to play a more active role in regulating digital finance? How would evolving levels of consumer comfort and trust in technology change the way we needed to design products? And, ultimately, where was my place in this ecosystem? I was obsessed with user- and human-centric thinking but was unsure on how to best make the case for this type of approach to product strategy.

I decided it was time to pause and to find a way to explore this. Through a series of fortunate events and choices, I found myself seated in a cold blue chair next to an age-ambiguous nerd in a purple suit (who is now my best friend) at 250 Richmond St, Toronto, Ontario, attending the Strategic Foresight and Innovation (SFI) Program at OCAD University. While I bumbled my way through a few skits, systems maps, time machines, and dealing with a few too many flimsy post-its and dead white-board markers, I also learned how to formalize my practice and how to contextualize my work in the theory of ethnographic research, systems thinking, futures thinking, and human-centered design.

At the same time, I kept up a product and design consulting practice which allowed me to take the tools I was learning in the classroom and apply them in real time, in real situations, with real companies - mostly start-ups. I learned about resource constraints and how hesitant many start-ups founders are at making space for anything beyond what has immediate impact on key indicators. Through this process, I learned to translate the language of what I was learning in the classroom into the language of the start-up ecosystem. I learned the power of strategic foresight – how it gives us the structure to make sense of complexity – and to “future-proof” a strategy. I obsessed over how embedding the principles and practice of futures work into our product strategy could enable us to build products that were grounded in our users' ever-changing lives and were resilient to the actions and reactions of other stakeholders and other changes in the ecosystem.

For my final piece of work as an SFI student, I have chosen to take what I've learned, and apply it to the world from which I came from – the fintech start-up ecosystem in Africa. My goal is to dive deep into the future of this ecosystem and explore how that practice of strategic foresight can make our approach to product stronger by making our strategy more resilient to changes in the surrounding landscape, and our design more deeply rooted in the needs of our users. I invite you to make a cup of tea (mint or ginger masala – your choice), grab a fataya, and enjoy...

# 01

## Introduction

There's a familiar adage that ninety percent of start-ups fail. Whether or not that is statistically true, the meaning - that there is a considerable amount of risk and uncertainty for start-ups - is clear. When resources are constrained and the pressure to succeed is high, every choice matters. Navigating these choices amidst uncertainty is a challenge many start-ups struggle with. In his highly successful book, *The Lean Startup*, Eric Ries writes, "As the world becomes more uncertain, it gets harder and harder to predict the future. The old management methods are not up to the task. Planning and forecasting are only accurate when based on a long, stable operating history and a relatively static environment. Startups have neither" (Ries, 2011, p. 9). Start-ups exist in an uncertain environment, so they need a new set of tools to help them navigate change and make decisions.

To fill the gap between the old management methods of planning and forecasting and the reality of decision makers at start-ups, many new methods, frameworks, and canvases have been developed - perhaps none so well known as Ries' own lean start-up method. Generally, these methods advocate for the need for a defined future goal, called product vision and then an iterative path to get there, called product strategy. Marty Cagan, often referred to as the most influential person in the product space (Sloan, 2019) stresses that start-ups need to have a clear product vision and product strategy to succeed. He describes how the two work together as, "product vision describes the future we are trying to create, typically somewhere between two and five years out.... product strategy is how we make our product vision a reality" (Cagan, 2016 p. 123).

One challenge to this approach is that the future we are trying to create generally depends on a lot more than what one individual start-up can do. There's a contextual landscape evolving around a start-up that may drive, inhibit, and/or complicate a start-up's role in the ecosystem and/or in its customers' lives in the future. But how can a start-up, with already constrained resources monitor the contextual landscape for potential impacts to their business in a feasible and sustainable way? And even if they are keeping track of the contextual landscape and how it might affect their company, how can a start-up translate that into any action they need to take today?

Jabe Bloom, a product strategy consultant unpacks some of this challenge "At different levels of organizations, we tell stories with different scales of time (timespans), about our work and why we are doing it... Executives are really good at telling five-year stories, but a team cannot act on a five year story when they are used to thinking in two to four weeks. There's too much room to explore" (Perri, 2019 p. 74).

How might start-ups feasibly take a longer-term vision and translate it into possible present day actions, while staying aware of potential impacts as

the contextual landscape evolves? We can look to a practice of strategic foresight, the principles of which are intended to help organizations take a more anticipatory outlook at the future and to integrate uncertainties into their strategy. Strategic foresight enables organizations to identify change that matters early, assess its implications on the company and develop adaptive [and] proactive responses (Conway, 2006). In fact, Maree Conway in her practitioner's handbook, *Foresight Infused Strategy* (2006), asserts that without this approach, strategy is largely superficial and open to being irrelevant as soon as it is put together.

For a practice of strategic foresight to be adopted by a start-up, it has to be approached in a way that complements an agile mindset and may embed directly into their existing product strategy process. This research seeks to understand the current practice of product strategy at start-ups and to explore how to embed more anticipatory thinking in a way that it complements current processes and thinking about the future.

In both strategic foresight and product strategy, context is key. Conway (2006) says, "for a practice of strategic foresight to be successful, it has to be grounded in the specific context of a company." In *Escaping the Build Trap*, an influential work on how product management can create real value, Melissa Perri (2019) also asserts the importance of context. She writes "it's important to take a step back and understand where you are and what is needed... before you jump into any work."

For this reason, I am going to ground this research in a very real, very rapidly evolving context - the fintech (financial technology) start-up ecosystem in Africa. This ecosystem presents a favourable environment for this exploration with its wide range of stakeholders, accelerated growth, rapid change, and high-risk factors, all with highly motivated start-ups in the middle competing for attention, users, and funding.



# The Research

This research aims to explore the opportunity for start-ups to adopt elements of strategic foresight into their practice of product strategy within the context of the fintech start-up ecosystem in Africa. Through this research, I examine how start-ups in the ecosystem currently approach their practice of product strategy and analyze to what extent they are already analyzing and integrating forces of change in the surrounding landscape into their practice. I explore opportunities for a practice of strategic foresight integrated product strategy to provoke a structured, anticipatory, consideration of the possible impacts of change in the contextual landscape in an agile and actionable way. Throughout this paper, I use the analogy of a boat navigating the winds of change as it steers through uncharted waters to evoke the image of a start-up navigating change on its path to success.

# Chapter Breakdown

This report responds to the research question, **how might we use strategic foresight to strengthen product strategy for start-ups in the fintech start-up ecosystem in Africa**, in the following sequence:

In **Chapter 2** I will explain the methods I have chosen to answer this research question. I will explain why I have conducted both primary (expert interviews) and secondary research (literature review). I will talk about how I chose my interview participants and what I hoped to learn from them, and how I used thematic analysis and the STEEP+V Framework for sensemaking and analysis of my interview data.

In **Chapter 3**, I will unpack the context of the African fintech start-up ecosystem. Both product strategy and strategic foresight need to be grounded in context, so understanding the ecosystem is necessary to answering the research question. I will walk through its unique beginnings, the key stakeholders in the ecosystem and identify some of the signs that point to rapid change predicted over the next five years.

To strengthen existing practice, first we need to understand it. In **Chapter 4**, I will walk you through

my sensemaking process in more detail and unpack what I learned from my interview participants about their current practice of product strategy. I will introduce you to the boat analogy and explain how product vision represents the boat’s destination, and product strategy the way a start-up chooses to steer itself to reach it.

In **Chapter 5**, I will share what I have learned about the forces of change surrounding start-ups, and we will expand our analogy to compare these forces of change to different types of wind surrounding a boat. I will analyze to what extent start-ups in this ecosystem are already considering forces of change in the surrounding landscape into their current practice of product strategy and highlight what opportunities exist for this practice to be strengthened.

I will outline a set of next steps that start-ups can adopt to strengthen their anticipatory thinking in **Chapter 6**. I will discuss how a start-up may adapt this process to their specific context and how to put this process into action.

Finally, **Chapter 7** reviews the highlights and identifies further research and applications of this work.

# 02

## Methodology

In this chapter, I will discuss how I chose to approach my research question, including a discussion of the data collection, synthesis, and analysis methods used.

### Data Collection Methods

I conducted both primary (expert interviews) and secondary research (literature review including recent reports) to answer my research question. My literature review was focused on work written by thought leaders in the product management space and work on practical applications of strategic foresight with a goal of broadly understanding the implementation frameworks practiced in each domain. I also reviewed publications related to the fintech start-up ecosystem in Africa to ensure that my research would be grounded in the current context of this ecosystem.

Because it's such a fast growing and rapidly changing ecosystem, this literature review was mostly through reviewing blog posts, newspaper articles, and investment memos. While this gave me a good understanding of the general position of stakeholders in the ecosystem, because of the speed at which actors in the fintech ecosystem are moving, and because of the competitive nature of the market, just looking at published literature was not enough for me to understand the way in which fintech start-ups were approaching product strategy. For this reason, I combined my literature review with interviews with fintech start-up founders, country leads, product leads and other ecosystem thought leaders to better understand the inner-working of start-ups in this space and, in particular, how they were thinking about the impact of patterns of change in the surrounding landscape.

I interviewed fifteen participants. My interview participants were identified through my review of recent reports, news articles, and other recent literature in the African fintech space (purposive sampling), and through referrals after each interview (snowball sampling). My sample included participants who worked or had worked for a

company that has a fintech product or products that are specifically built for an African user base; or for an enabling actor in the stakeholder ecosystem such as investors or accelerators. For participants representing fintech start-ups, they needed to understand or have insight to the practice of product strategy at their company.

Interviews were focused on two main themes - the current approach to product strategy at fintech start-ups, and an exploration of current thinking about the future, in particular, uncovering the key patterns of change that participants expected to have implications on their industry over the next five years. Given the speed at which change occurs in this ecosystem, the uncertainty surrounding the ripple effects of the COVID-19 pandemic, and the five year timeline suggested by most product strategy literature for a company's product vision, I considered a five year horizon when speaking about the future. The list of specific questions can be found in Appendix A.

I was able to speak to representatives of some of the most successful and well-known fintech start-ups in the ecosystem and they gave me deep insight into how a sample of companies are thinking about their product strategy. However, since product strategy can often determine competitive advantage, some participants (in particular, non-founders) were more guarded in what they could reveal and made a distinction between what was public knowledge and what was not. So as not to accidentally threaten the competitive advantage of any of the companies I spoke with, I have chosen to keep the names and companies of my interview participants confidential. Ultimately, even when there was no hesitation to share, there was no way I could deeply understand a company and its product strategy over the span of one interview so I have been careful not to reveal or misrepresent any of my interview participants.

Scope

Even though it is known that there are a number of start-up hubs and ecosystems growing across Africa, much of the literature and reporting still reports on Africa as one big fintech ecosystem and start-ups often speak of their pan-African vision. This is because, often, from a venture capital investment perspective, only Nigeria has a big enough population to be considered a viable market on its own. When not operating in Nigeria, to be considered as potentially viable for many investors, a start-up often needs to be working in multiple countries, and often have a pan-African vision.

***“We consider ourselves Africans. We have a pan-African vision but we are inherently very different in our product suite.”***

— Interview Participant

To navigate this tension, I tried to target a wide range of interview participants. Through my process, I learned that the most relevant differentiator between start-up ecosystems is their level of maturity.

Maturity Model

The maturity of the country-level or regional start-up ecosystems that a start-up is operating in makes a significant impact on their strategy. The level of maturity of a start-up ecosystem is based on the balance of supporting processes and actors in that ecosystem (Cukier, D., & Kon, F., 2018). These supporting processes and actors include accelerators, incubators, access to investment, access to talent, the regulatory environment, and a community of fellow entrepreneurs. Cukier and Kon (2018) have developed a model, Maturity Model for Software Start-up Ecosystems, but it has not yet been applied to any African geographies. The model uses a robust analysis of data from the ecosystem to determine maturity level, something that I could not

do within the scope of this research. Instead, for the purpose of my research, I used what I had learned through my review of literature and the perspectives of my interview participants to group ecosystems into two general levels of maturity borrowed from Cukier and Kon: Evolving and Nascent. I categorized the Kenyan, South Africa, Egyptian, and Nigerian ecosystems as Evolving. Evolving ecosystems are those with a few successful companies, some regional impact, job generation, and a small local economic impact (Cukier, D., & Kon, F., 2018). I categorized these ecosystems as Evolving because they are the most mature of the fintech start-up ecosystems in Africa and where the majority of fintech activity in Africa is concentrated. In 2020, 89% of fintech start-ups that received funding in Africa were from those four countries (Disrupt Africa, 2020).

The other hubs I have categorized as Nascent.

Nascent ecosystems are those generally recognized as a startup hub, with already some existing start-ups, a few investment deals, and perhaps government initiatives to stimulate or accelerate the ecosystem development, but no great output in terms of job generation or worldwide penetration (Cukier, D., & Kon, F., 2018). This categorization is meant as a guide - intended to help with sensemaking, and is not meant to be definitive.

Sample

Of the fifteen interview participants, nine have their primary expertise in Evolving ecosystems and six in Nascent ecosystems. This is my own classification based on what interview participants told me about their work experience and where their companies operate. The reason that there are more Evolving ecosystem participants than Nascent is likely because of the fact that Evolving ecosystems have bigger communities of entrepreneurs. Additionally, many of my interview participants were referrals from other participants, so people referred me to others from their own ecosystem.

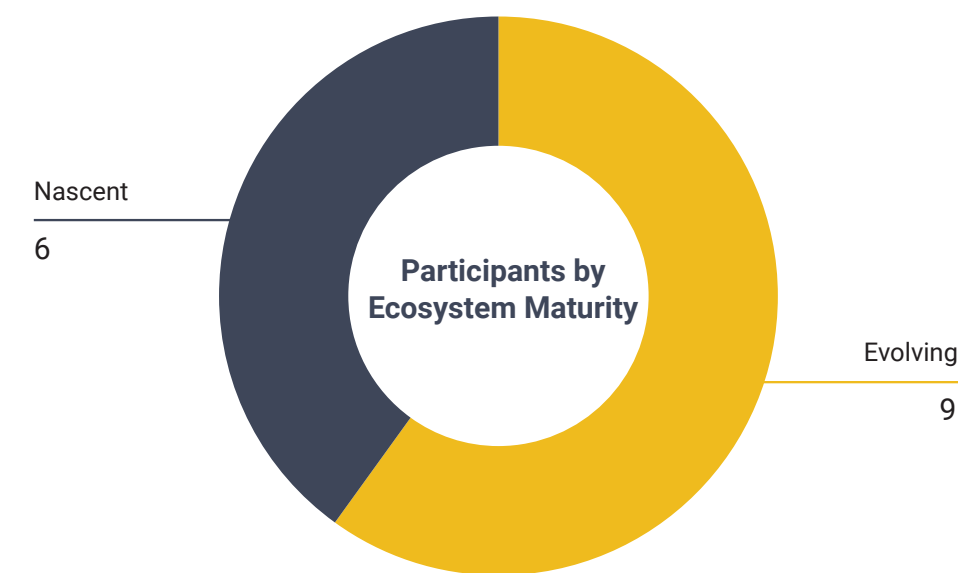


Figure 1: Of the fifteen participants, nine had primary expertise in an Evolving ecosystem and six had primary expertise in a Nascent ecosystem.

Of the fifteen participants, thirteen different countries were represented in their expertise (some had expertise in more than one country) and five different sizes of start-ups. This is also my own classification based on where my interview participants said they had work experience, and the most recent publicly available funding round shared by their companies. The countries most represented were Nigeria (8 participants with expertise) and Kenya (6 participants with expertise). The size of a start-up is generally measured in the industry by the level of investment the start-up has raised. The scale goes from Pre-Seed, which is the earliest stage of a company to Seed Stage, to Series A - C. A Series C start-up has usually already shown its business model is successful and is focused on expansion and growth. Of the participants I interviewed, most represented were Series A start-ups (4 participants), followed by Pre-Seed (3 participants). Two were non-profits which meant they were not categorized by size based on level of investment. A full list of participants, broken down by ecosystem maturity, countries of expertise and company size can be found in Appendix B.

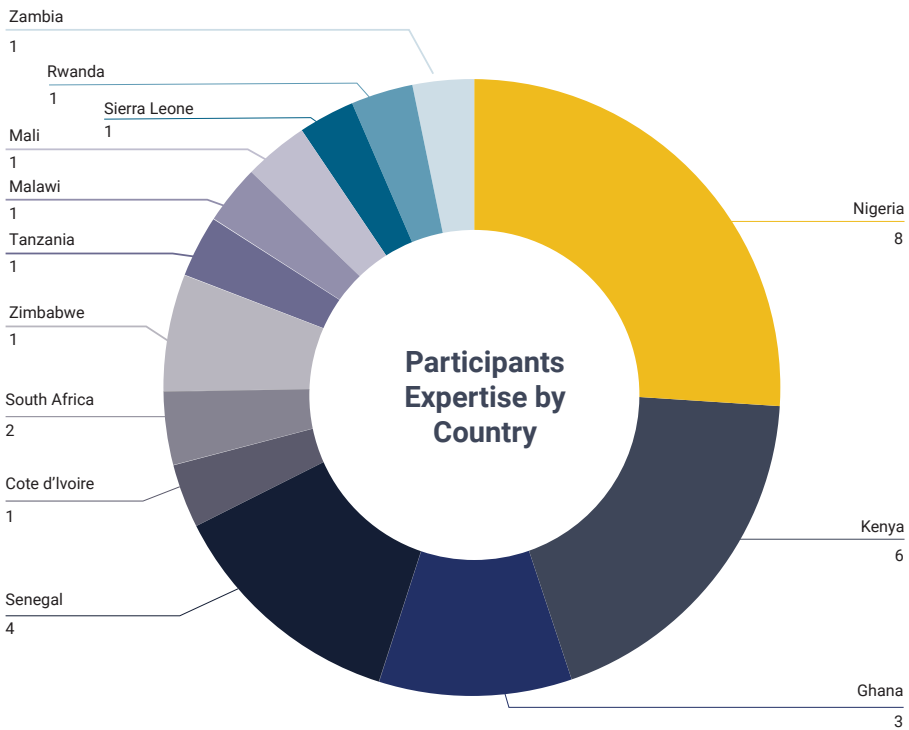


Figure 2: Thirteen countries represented by expertise of interview participants. Nigeria and Kenya were most represented.

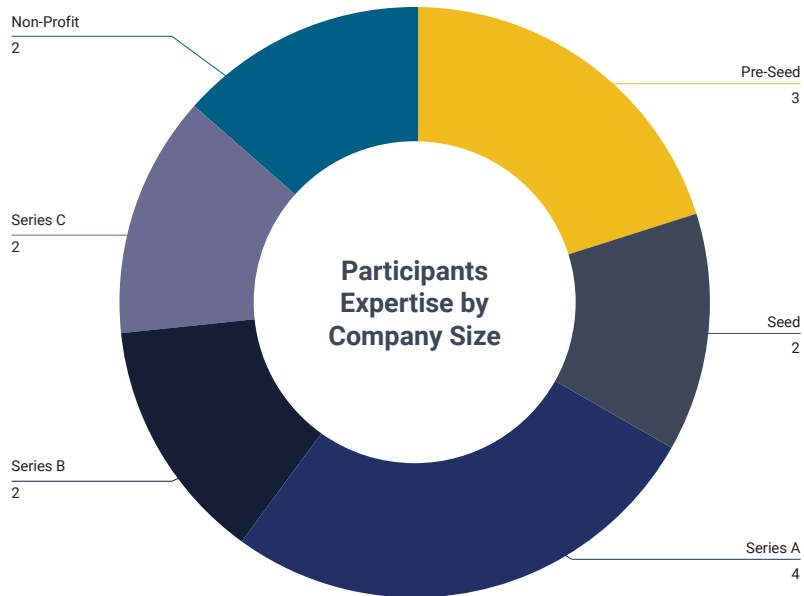


Figure 3: Five different sizes of companies were represented by interview participants, and two non-profits. Series A was the most presented company size.



# Sensemaking and Analysis Methods

## Thematic Analysis

To analyze and make sense of my interview data, I used the method of thematic analysis, through which I clustered common ideas, practices, opinions, and patterns of meaning. Since product strategy can be heavily influenced by contextual factors like supporting actors in the ecosystem and the regulatory environment, I chose to use this method to see if any patterns emerged in how startups in this context are making decisions around what features of their product they are prioritizing, instead of relying solely on what product literature says should be included in a practice of product strategy.

## Landscape Changes

I used the STEEP+V framework throughout this research to help me analyze the breadth of the forces of change brought up by my interview participants and to enforce a breadth of thinking in the recommended process I propose. The STEEP+V framework is a structured method of exploring the contextual landscape for patterns of change in Social, Technological, Economic, Environmental, Political and Values-Based domains.

I asked my interview participants what types of trends they are paying attention to because of the potential impact of these trends on their company of the general fintech ecosystem in Africa. For my sensemaking process, I categorized the answers into the STEEP+V categories and noted that the majority of their answers were in the Technology and Economic categories. I analyzed the gaps and have commented on them in my analysis. In my recommendations, I propose that start-ups use the STEEP+V categories to make sure they are thinking wide about patterns of change with potential impact on them. To help get them started, in my recommendations, I have included some example patterns of change - one in each of the STEEP+V categories. I identified these trends through my review of recent reports and news articles.

# 03

## Fintech in Africa

In this chapter we will deepen our understanding of the contextual landscape. We will uncover some of the historical roots of the industry and signals of continued growth to come in the future.

### The Story of Fintech in Africa

Fintech has had a transformative impact on the financial system in recent years in Africa. A unique combination of an under-developed banking industry, a young population, and rapid growth in mobile technology has led to the perfect environment for a fintech explosion (EY, 2019). Because most banks have been concentrated in urban centres and have had little incentive to reach more rural parts of the population, about 60% of the population of the continent is considered unbanked (Demirgüç-Kunt et al., 2020). This has laid the foundation for a new actor to emerge to serve the unbanked.

With mobile phone adoption rising exponentially, mobile network providers have emerged as new actors in the financial service ecosystem by offering mobile money products. Mobile money products allow a person to send money and receive digital currency through their mobile phone, enabling people to transfer money to each other, pay bills, and even access loans without needing a bank account. For a

continent traditionally dependent on cash, this has been transformative. M-Pesa, a mobile money product offered by Safaricom in Kenya, is a world-famous innovation success story. Since M-Pesa launched in 2006, financial inclusion in Kenya has gone from 27% to 83% (Kazeem, 2019) and 45% of the country's GDP has been processed through its infrastructure (Mureithi, 2021).

Africa has become a world leader in mobile money services – more than half of mobile money services in the world are now in Africa (Baah et al., 2021). Mobile money is just the beginning of this story, but the infrastructure its systems have provided and the way in which people across the continent have embraced it, have paved the way for a whole ecosystem to sprout and flourish. In a global fintech index compiled by Findexable (2019), Africa was named the region where “fintech's future is likely to arrive the fastest” (Kazeem, 2019).



Figure 4: ERAF (Entities, Relationships, Attributes and Flows) System Map of the Fintech Start-up Ecosystem in Africa

## The Ecosystem

To thoroughly understand the contextual environment of fintech start-ups in Africa, we can look to the broader ecosystem, including the key stakeholders and their relationships. Figure 4, breaks down the key stakeholders and their relationships using an Entities, Relations, Attributes, and Flows (ERAF) map. The key stakeholders are Mobile Network Operators (MNOs), banks, governments, non-profits, accelerators and incubators, investors, users and the start-ups themselves.

Start-ups are the primary actor, they build products for users, and compete and partner (depending on the product) with banks and MNOs. There are many different types of start-ups that make up this ecosystem entity. According to a recent Disrupt Africa survey, there are now almost 500 active fintech start-ups across the continent, building a wide range of products and services (Jackson, 2021).

MNOs, the next entity, provide much of the infrastructure on top of which fintech ecosystems build their products. MNO's and banks have an interesting relationship in that, depending on the country, they may compete, or partner, or both. All mobile money products rely on some sort of partnership with an MNO and a financial institution.

Governments regulate and monitor start-ups, MNO's and banks. Their mandate is to protect the population by putting a high degree of scrutiny on the industry and being selective with who they grant permits and licenses. They govern the financial and technological systems in a given region and thus are often targeted by lobbyists representing banks, MNOs and sometimes start-ups too.

Because it is a start-up ecosystem, stakeholders such as accelerators, incubators, and different types of investment groups (like Venture Capitalists or impact investors) are also key. They provide the important supporting processes like mentorship and funding, and boost the culture of entrepreneurship in the ecosystem by hosting networking events, co-working spaces, and demo days where start-ups can pitch their products. In this particular ecosystem, because so much of the population is unbanked, financial inclusion actors are deeply embedded in the form of nonprofits, global NGOs, and microfinance institutions.

# Signals of Continued Growth

There are a number of signals that point to continued growth for fintech start-ups in Africa. As governments have been restricting movement during the COVID-19 pandemic, central banks in some regions have accelerated their digitization regulation in order to facilitate cashless transactions (Raji, 2020). This has made it easier for fintech start-ups in those markets to offer digital products and for consumers to access them. Investment in the ecosystem also continues to flow - ninety-nine fintech start-ups raised investment in 2020. Investors are writing cheques earlier, cheque amounts are getting larger, and the race for “unicorn<sup>1</sup>” status is seemingly on (Kene-Okafor, 2021). Flutterwave, a Nigerian payments technology company, raised a Series C<sup>2</sup> round in early 2021 that put its valuation at over US\$1 billion, making it Africa’s sixth unicorn (Mureithi, 2021).

Over the next five years, internet diffusion and adoption is projected to grow faster in Africa than any other region in the world (Campbell, 2019), thanks to infrastructure investments such as Safaricom’s Kenyan rollout of 5G in April 2021 (Mureithi, 2021) and Google and Facebook each planning the installation of undersea internet cables around the continent (Browne, 2020). This means more potential users, many of whom are likely unbanked and looking for new ways to earn, send, and manage their money; and more potential opportunities for fintech start-ups to carve out their piece of this burgeoning ecosystem. In this chapter, we’ve seen that the fintech ecosystem in Africa has grown fast and is set to continue to grow fast. With rapid growth often comes volatility. We’ve seen that there are a number of inter-connected stakeholders that are trying to navigate this volatility. We see start-ups moving quickly to grow their user base, attract investors, and out-run competition. On one hand, rapid growth may mean staying agile and learning fast, on the other hand, it may mean exposing vulnerabilities as start-ups focus on the short-term and possibly missing signals of change in the contextual environment that could threaten success.

In the next two chapters, I will take you through what I have learned about how start-ups in this ecosystem approach product strategy, in particular how they’ve embraced agility to be able to pivot, or change strategy in response to change, but how that may leave them reactive and vulnerable. We will explore how start-ups might look to strategic foresight to help them anticipate the potential impact of changes in the surrounding environment, all while maintaining their speed and agility.

<sup>1</sup> A term used to describe private start-ups valued at over \$1 billion USD.

<sup>2</sup> Refers to the stage of the start-up. At Series C, a start-up has usually already shown its business model is successful and is focused on expansion and growth.



# 04

## Current Practice

In this chapter, we will discuss what product strategy is and I will walk through what I learned about how start-ups in this ecosystem currently approach their product strategy practice.

Let us first align on a common understanding of what product strategy is according to the product theorists found in the literature, and what it looks like in practice at the fintech start-ups in Africa that I interviewed. By understanding how start-ups approach product strategy, we can analyze where there may be potential gaps and opportunities for strategic foresight to strengthen the practice.

Product theorists align on the fact that a strong product strategy stems from a strong product vision. So what is a product vision? Marty Cagan, product thought leader and author of the product management bible, *Inspired: How to Create Tech Product Customer Love*, describes a product vision as the future a company is trying to create, usually about five years away. It's role is to align teams on a common purpose, and inspire investors and partners to help make this vision a reality (2016). Melissa Perri, another leading product theorist and author of *Escaping the Build Trap: How Product Management Creates Real Value*, explains similarly, that the product vision communicates why you are building what you are and what you want to be in five to ten years (2019, p.75, 86).

So then, how does product vision connect to product strategy? Cagan (2016), puts it most simply —

“product strategy is about how a company decides to turn [their product] vision into a reality (2016).” Eric Ries, author of *The Lean Startup*, calls a start-up's product vision its “true north” or “destination”, and product strategy is its road to get there. In this analogy, he explains that product vision is important because you always need to have a clear idea of where you are going and need to remain focused on getting to that destination despite challenges that may appear on the way.

What this analogy does not consider is the fact that many start-ups (particularly in Africa) may not have a road to follow - underdeveloped ecosystems, novel technology, and innovative business models often mean that start-ups are moving in a sea of unknowns, with no predefined route. Therefore, to adapt this analogy to the African start-up ecosystem context, we might consider using the analogy of a boat in uncharted waters heading to a defined destination. The boat is the start-up. The destination is the product vision - the reason the boat (the start-up) exists is to get to the destination, and finally, the product strategy, is how the operators of the boat (the start-up) steer it towards the destination (the product vision). The decisions a start-up makes about how to steer the boat determine the path it takes toward its destination.



Figure 5 : In this image there is a boat in the ocean. Ahead of it, is its destination, marked by a flag in the ground. In the boat, there is a person steering. The ocean represents the ecosystem and the boat represents a start-up trying to navigate the uncharted waters of the ecosystem towards its destination. The destination represents the product vision and the way the person steers the boat represents the product strategy.

# In Context

So how does this apply in the African fintech start-up ecosystem? I will walk through what I have learned about how my interview participants approach their practice of product strategy. Using the analogy we just discussed, I will start with what I learned about how they articulate their destination (the product vision) and next show how they decide how to steer their boat (approach their product strategy). Understanding current practice will help us set the foundation from which we can explore how elements of strategic foresight might strengthen their practice.

## The Destination

As Cagan (2016) said, “use the product vision to articulate your purpose. Everything follows from that.” (p.129). Almost every single company I spoke to had a strong sense of purpose and could firmly articulate the destination to which they are heading. There are two main approaches to setting a product vision that emerged in my interviews.

The first approach is rooted in mission. The intention with an approach like this is to inspire the team, investors, partners etc. around a common goal.

**“We will be the first pan-African digital bank”** – Interview Participant

**“We’re creating a cashless continent.”**  
– Interview Participant

**“We are going to eradicate cash.”**  
– Interview Participant

**“The vision is to provide financial solutions to all and make financial services friction-free.”** – Interview Participant

While there may be some debate about whether this type of destination fits the five year horizon of a product vision suggested by Cagan (2019), for this type of vision, that is less important. What’s important is that everyone is aligned on the importance of trying to get there together.

The second type of product vision, or destination, that I heard frequently is a comparison to another company, usually from another, more mature, ecosystem.

**“We want to do for Africa what Stripe<sup>3</sup> did for the West.”** – Interview Participant

**“We want to be like the Shopify<sup>4</sup> of Africa for informal sector small businesses.”**  
– Interview Participant

The benefit of taking this approach is that it enables quick alignment. Everyone in the industry knows the big success stories from other markets so there’s a shared understanding of what success looks like. The benefit of both approaches to articulating a product vision is that it’s an accepted part of the product management process that draws upon imagination and builds an anticipatory image amongst the uncertainty of the future. This is something we can draw upon when we explore how we might integrate strategic foresight later on in this research.

<sup>3</sup> An American-Irish payment processing fintech company that enables businesses to accept payments online.  
<sup>4</sup> A Canadian e-commerce platform for online stores and retail point-of-sale systems.



### Steering the Boat

So how do companies decide how to get to their destination? How do they decide how to steer their boat? Who steers? Which products or features do they build first? What guides their decision making? A practice of product strategy can be quite specific to the unique context, so usually, this is where companies take the guiding principles of theorists and adapt them. Cagan (2019, p. 125) supports this, “there is no single approach to product strategy that is ideal for everyone, and you can never know how things might have gone if you sequenced your products differently.”

In terms of who steers the boat, this mostly depends on their size. For smaller companies, the product strategy is often based solely on the founder and head engineer working together to determine what

of the founders’ vision is feasible. Bigger companies often have more robust processes that involve input from multiple stakeholders across various teams. Sometimes they have multiple product lines, with Product Managers owning the product roadmap<sup>5</sup> and product strategy of each product line.

In terms of what guides their decision making, a significant pattern of focusing on short term implementation and learning emerged across different sizes and types of countries.

**“Nobody knows what can happen tomorrow. A meteor might hit... who knows ”**

— Interview Participant

**“Never spend too much time in product [strategy] because you’re going to have to change everything.”**

— Interview Participant

**“Product strategy isn’t something we think about on a long term.”**

— Interview Participant

**“Things just change. We’re constantly learning... and it puts pressure from a time perspective.”**

— Interview Participant

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<sup>5</sup> A plan of action that shows the schedule on which product features will be implemented.

### The Importance of Agility

For the most part, the short-term focus was explained as a way to be able to learn fast and to respond to change and feedback with agility. This follows the principles of the Lean Startup, written by Ries (2011). One of the five core principles he articulates is Build-Measure-Learn. Ries (2011) explains, “the fundamental activity of a start-up is to turn ideas into products, measure how customers respond, and then learn whether to pivot or persevere. All successful startups should be geared to accelerate that feedback loop (p. 9).” A start-up typically has a limited amount of funding, so getting feedback, learning, and adjusting their product quickly is a key survival tactic. There is significant risk if a company spends too much time focused on building the wrong thing. In a rapidly changing ecosystem, this makes sense. Start-up lore is chock-full of stories of companies that failed because they didn’t react quickly enough to feedback from their users or changes in the ecosystem. A few examples of start-ups having to react to changes in the ecosystem came up in my interviews:

***“We planned a crypto product in Q1 but then the Central Bank of Nigeria banned [crypto] so we had to pivot.”***

— Interview Participant

***“We just dabbled in digital payments and then COVID hit and digital payments became our saviour.”***

— Interview Participant

While being reactive allows us to be agile, it may also leave us vulnerable. If we try to steer our boat too much too fast, we risk capsizing. One interview participant shared the story of how his last fintech company started failing fast when a lot of change occurred at the same time.

***“We had this vision of becoming the digital bank for Africa and started offering savings and credit and expanding our service offering and then everything kind of fell apart. We had a big investment round collapse, we had a cholera epidemic [in our main country of operations], and then we got attacked by the MNOs... We just got sandwiched between these two giants and we couldn’t really defend ourselves.”***

— Interview Participant

So how might a start-up maintain agility, but become more anticipatory to changes in the ecosystem so that they don’t need to always be reactive? How might they integrate a process of anticipating changes ahead into their product strategy so that they can steer their boat without risk of capsizing? Strategic foresight theorists would argue that signals of change can likely be uncovered early if we’re proactively scanning for them and that this can help us be prepared for and resilient to change. In the next chapter I will explore what I have learned about the opportunities to integrate anticipatory thinking about forces of change into existing practice.



# 05

## Winds of Change

In this chapter I discuss to what extent start-ups in this ecosystem are already considering change in the surrounding landscape in their product strategy and highlight what opportunities exist for more anticipatory thinking to be integrated into their process.



**Figure 6 :** In this image there is a boat in the ocean. Ahead of it, is its destination, marked by a flag in the ground. In the boat, there is a person steering. Light blue and yellow winds swirl around the boat. The light blue and yellow winds represent forces of change that exist in the ecosystem that start-ups have to navigate as they steer towards their destination.

Let us return to our analogy of a start-up as a boat in uncharted waters, trying to steer its way to its destination. As we began to explore in the previous chapter, forces of changes in the contextual environment are happening around a start-up. While a start-up can try and steer its way through them, they will likely be better able to navigate through change and be resilient to it if they have anticipated this change. In our analogy, these forces of change can be represented by the wind.

Wind is not something we can always see, but it has an impact on how we're able to steer our boat. If we don't pay attention, a soft wind can steer us a couple of degrees off course. That may not seem like much, but a couple of degrees off course at the beginning of your journey may be the difference between

arriving in Dakar and Cape Town. If unprepared for a strong wind, we may use all our energy to keep our boat afloat. If prepared, perhaps we may use the wind to propel us faster on our path.

I hope I have made my point - it is important to consider wind when steering a boat, just as it is important to consider change in the contextual ecosystem when crafting the product strategy for a start-up. According to Maree Conway, strategic foresight practitioner and author of Foresight Infused Strategy (2006), "crafting strategy without developing a deep and systematic understanding of change... and identifying what really matters for your organization will make your strategy superficial and open to being irrelevant as soon as your plan is written." (p.127).



## In Context

So, what are start-ups currently thinking about when they are deciding how to steer their boat and chart their course to their destinations? How much are they paying attention to the wind(s) around their boat? To what extent are they using their knowledge of the patterns of the wind in deciding how they steer their boat? Where might there still be gaps and/or opportunities for more anticipatory thinking? To help us unpack this, I will walk you through what I learned about this from my interviews. I approached this from two angles - one in asking directly about what the start-ups my interview participants work for consider when setting product strategy, and two in asking about patterns of change they are keeping their eye on because of the potential impact on their company in the future. First, I will share what I learned about considerations affecting product strategy now (which I will call Nearby Winds) and next, I will discuss what they said they are keeping their eye on for the future (which I will call Farther Winds). Finally, I will assess how these connect and where there may be gaps and opportunities for further work.

### Nearby Winds

Nearby winds are the forces of change that start-ups are happening right now or in the very near future that start-ups are considering as they set their product strategy. As I analyzed my interview responses, and clustered them thematically, I noticed that the level of maturity of the regional or country level ecosystem the company was based in affected what they were thinking about.

As mentioned in Chapter 3, the African fintech ecosystem is generally understood to be made up of many smaller ecosystems, with different levels of maturity, or level of supporting processes. For the purposes of my research I am considering start-ups based in Kenya, Nigeria, South Africa and Egypt to be Evolving ecosystems, meaning they have evolved to have some features of mature ecosystems such as a number of successful start-ups, access to investors, and a culture of entrepreneurship. I am considering start-ups based in all other countries to be in Nascent ecosystems. My interviews revealed that the two main considerations that persist no matter what the maturity of the ecosystem are User Feedback and Regulatory Environment.

### Regulatory Environment

Regulatory environment is the consideration of legal frameworks and decisions made by central banks and other government bodies. Regulators play an important role in the fintech ecosystem because of the considerable power they have. With their power to ban technology, limit access to credit bureaus, award (or not award) deposit taking licenses, a regulator's decision can threaten a fintech start-ups entire business model or product strategy, no matter how mature the ecosystem is.

***“When the CBK (Central Bank of Kenya) said no crypto, we thought it was the end.”***

— Interview Participant (Evolving Ecosystem)

***“We strategically chose our position in the market to not be encumbered by regulators.”***

— Interview Participant (Nascent Ecosystem)

### User Feedback

User feedback is the consideration of needs, desires, and expectations of a company's actual or intended user base. Some start-ups engaged directly with users by hosting focus groups or facilitating an ongoing process of customer interviews, while others relied on their customer support teams to channel user feedback into the product strategy process.


***“[Our CEO] reads the customer support notes every day.”***

— Interview Participant (Nascent Ecosystem)

***“We always go to see how our product interacts with [our customer's] habits”***

— Interview Participant (Nascent Ecosystem)

For start-ups in Evolving ecosystems, competition becomes more fierce and customer expectations become more sophisticated. There is more that needs to be considered when deciding how to steer the boat. Based on my interviews, I learned that companies in Evolving ecosystems also consider **Competitive Landscape**, **Expansion**, and **Operational Considerations** in their product strategy.



## Competitive Landscape

Competitive landscape is a consideration of a company's competitors, competitors' products, and their strengths and weaknesses in relation to competitors. Start-ups brought up the need to differentiate between other players in the market, including other fintech start-ups, banks and mobile network operators.

***"If payments companies don't offer more features to their markets, they will die"***

— Interview Participant (Evolving Ecosystem)

## Expansion

Expansion is the consideration of new markets or user groups that a company may want to start serving. Start-ups in Evolving ecosystems often have access to funding from foreign venture capital firms. Venture capital firms are looking for their portfolio companies to scale, fast. To achieve those goals, many start-ups need to be thinking actively about how to expand.

***"When you expand, you have to give them the right product and not just copy/paste from other countries"***

— Interview participant (Evolving Ecosystem)

## Operational Considerations

Operational considerations include the internal considerations that make the company able to implement its goals and vision. Start-ups always have to make choices based on what is operationally possible. What is possible often depends on the availability of resources - namely staff and funding. Start-ups in Evolving ecosystems are often in the paradoxical position of having more access to talent and funding (because capable people and interested investors are attracted to the ecosystem), while at the same time facing higher competition for it.

***"Everyone is recruiting remotely now. People are leaving to work for foreign companies. How can we compete if you can live here and earn in dollars?"***

— Interview Participant (Evolving Ecosystem)

***"The founders decide the priority and the engineers build it. Nigeria takes priority over Kenya right now."***

— Interview Participant (Evolving Ecosystem)

In general, categories of nearby winds that these companies consider are sufficient and align with what product theorists recommend. From a strategic foresight point of view, they present a favourable foundation because each category has room for taking an anticipatory view while setting strategy. A start-up might ask themselves questions like - how might our user group change as we grow? How might regulation change over the next five years? How might a new competitor entering the market affect our strategy? How replicable might our strategy be in other countries? and/or how might we continue to grow at the same pace if we face challenges in hiring?

However, if start-ups aren't using the nearby winds to probe their potential impacts not only now, but also farther along their path to their destination, they risk being superficial or too narrow and leaving vulnerabilities exposed. For example, It's not enough to just take feedback from users now, a start-up needs to be thinking about what role they play in their user's life as factors such as tastes, expectations, abilities to pay, and needs evolve. As we saw in the last chapter, sometimes we need to look a little farther away to see the forces of change that can risk capsize (like a cholera outbreak, for example). The other element to consider is that some of these

questions we may not have answers to - in particular when there's an unpredictable stakeholder like a regulator involved. Critical uncertainties are areas of change with both high impact and high uncertainty. In The Art of the Long View: Planning for the Future in an Uncertain World, Schwartz argues that critical uncertainties (along with driving forces and predetermined elements) give structure to our exploration of the future. (1996, p. 117). Nobody knows the answers to these questions and a practice of strategic foresight isn't going to answer them either. We will come back to these in the next chapter.





Figure 7: In this image there are yellow winds of change far away from the boat. These are farther winds and represent the patterns of change in the larger contextual environment.

## Farther Winds

In my interviews I also asked participants about the future and what patterns of change they are keeping their eye on because of the potential impacts of that change on their company or the African fintech ecosystem in general. My goal was to more broadly understand what start-ups in this ecosystem were thinking about, whether or not it was getting integrated into their product strategy.

I will summarize the trends, drivers and other patterns of change that were mentioned by interview participants using a STEEP+V framework. I used this framework to categorize and cluster my interview participant’s responses into the categories of Social, Technological, Economic, Environmental, Political and Values-Based change. This is an element of a strategic foresight practice called horizon scanning, or scanning for forces of change in the wider contextual environment. Choo (2005) defines scanning as “the acquisition and use of information... about an organisation’s external

environment, the knowledge of which would assist... in planning the organisation’s future course of action.” Scanning in general is something all companies inherently do, whether it is formal or informal - we’re always keeping abreast of what changes for their possible impact on our company. Strategic foresight allows us to formalize, broaden, and structure that scan to help us identify early warnings of change, and make strategic decisions accordingly. By placing my interview content into this framework, I was able to identify what kinds of anticipation current strategy practices catch, and the areas where they fall short.



Social	Technological	Economic	Environmental	Political	Values
Population Growth	Cryptocurrency	African Continental Free Trade Agreement	Expanding access to electricity	Old leaders out-staying their terms and young activists	Concern for Data Privacy
Increasing Digital Literacy	Open Banking APIs	Decentralized finance		Data Sovereignty & Protection Laws	Reliance on Cash
	Neobanks	Digital Lending			
	International Remittance Tech	Venture Capital to Local Founders			
	Artificial Intelligence	Every company is a fintech (Uber)			
	Blockchain	FB Libra Flop (Diem)			
	Smartphone Adoption	Gold Rush/ FOMO			
	Edge Processing				
	Contactless Payments				
	Superapps				
	Central Bank Owned Cryptocurrency				
	Data Sandboxes				

Table 1: Summary of signals and trends mentioned by my interview participants. A description of each can be found in Appendix C.

Social

In the social category, a number of interview participants mentioned the rising foreign attention being paid to the ecosystem. Some called it a “gold rush”, others “FOMO ”, but the recurring theme was that foreign start-up actors are starting to see Africa as a trendy tech destination. One interview participant also mentioned population growth and increased digital literacy as social trends they are monitoring.

Technological

All interview participants mentioned technology patterns of change. Many noted the potential of cryptocurrencies for their perceived potential to mitigate the problem of unstable fiat currencies in Africa. Another popular trend was Open Banking APIs, which refers to banking and financial data being able to be shared more freely between fintech start-ups and banks, opening up many market opportunities for fintech start-ups. The rise of digital-only banks (neobanks) and cheaper, faster international remittance technologies were mentioned as becoming more and more common and upending the legacy financial systems. Non-banking specific technology trends that were mentioned included artificial intelligence, blockchain technology, increasing smartphone adoption, Edge processing, and contactless payment. The rise of superapps and a Central Bank owned digital currency were signals from other markets that some interview participants thought may point to change in the ecosystem in Africa.

Economic

The Africa Continental Free Trade Agreement was the most-often mentioned signal of economic change by interview participants. This agreement was implemented in January 2021 and is intended to turn Africa into a Euro-zone-like free trade area. Interview participants were hesitant about how quickly the agreement might actually be fully implemented, but that when it is, the ripple effects

will be far and wide. Other economic trends mentioned included more decentralized finance, a rise in digital lending, and venture capital investment increasingly going to local founders (instead of foreign founders in Africa). A few signals pointing to bringing business models from other markets, the supposed flop of Facebook’s blockchain-based payment system (Diem), and non-fintech companies becoming fintech companies (like Uber) were also mentioned.

Environmental

The only environmental trend that was mentioned was the rise in electrical connection across the continent.

Political

Most interview participants spoke about regulators when it came to political change - in particular uncertainty about how favourable working with regulators would be in the future. There were some signals of a positive relationship mentioned, such as data sandboxes made available to fintech start-ups by some regulators, and some (perceived) negative like robust Data Protection laws complicating the way some fintech start-ups access and manipulate their customer data. One key trend that was mentioned by one interview participant was the fact that across the continent we see leaders trying to hold power longer than they are constitutionally allowed to and in response to that, youth-led protests happening more frequently.

Values Based

Most of the values based trends mentioned were related to data and finances. Global patterns of change in thinking around data sovereignty and data privacy were noted as key influencers on the fintech ecosystem in Africa, with some countries having already introduced new data legislation. A reduction in the reliance on cash during the COVID-19 pandemic was also mentioned as a values shift.

# Gaps and Opportunities

Evidently, these start-ups are thinking about the future, just in a very focused way. This is the first gap I have identified in their existing process of considering forces of changes in their contextual landscape. Most of the trends or patterns of change that came up in my interviews were centered around the themes of technology, and finance. While these are incredibly valuable, and natural for a group of people who work in fintech, a practice of strategic foresight encourages looking beyond the familiar, and far and wide for signals that might not yet be in a company's worldview, but could have implications on the industry or company (Conway, 2006 p.130). Both nearby winds and farther winds mentioned by interview participants were all very fintech focused. If start-ups don't look wide enough for winds of change, they may have blind spots that could impact their ability to reach their goals, and namely, successfully steer their boat to get to their destination. The second gap that I identified is that there was not

a strong connection the farther winds and the nearby winds. For a practice of strategic foresight to be effective, there needs to be a structured process between the practice of scanning for patterns of change and how that change is integrated into product strategy. If we can see the patterns of change, but don't do anything to integrate them into our strategies and test to see if our strategies are resilient to them, we lose the advantage of having anticipated them.

In the next chapter, I will propose a series of steps to help start-ups widen their view of patterns of change in the contextual environment, and connect that change to their product strategy. This process is intended to help start-ups in the fintech start-up ecosystem in Africa to navigate the winds of change (both nearby and farther away), as they steer their boats towards their destination.



Figure 8: In this image there are light blue winds of change very close to the boat and yellow winds of change closer to the destination. The nearby winds are nearby winds and the yellow winds are farther winds. The yellow winds represent patterns of change in the surrounding ecosystem. In this image, we can see that there is no existing connection between how the start-ups see these two types of wind. We can also see that start-ups have a narrow view of farther winds, which likely means they are missing broader patterns of change which may impact them.

# 06

## Recommendations

In this chapter, I outline my proposed recommendation that start-ups in the fintech start-up ecosystem in Africa can take to integrate more anticipatory thinking and build the resilience of their product strategy.

### Criteria for Success

Before I dive into a recommendation for how start-ups can integrate anticipatory thinking into their product strategy, let's recap what we've learned. First, we can think of start-ups as boats, steering their way (using their product strategy) to their destination (their product vision). Start-ups in the fintech start-up ecosystem in Africa are able to set product visions and align their teams, partners, and investors on where they are going.

When it comes to setting product strategy, start-ups in this ecosystem have a preference for short-term thinking to maintain agility in a rapidly changing ecosystem. While having a short-term outlook may mean they can change the direction they are steering quickly, it means that their strategy can tend to be reactive, which may leave them vulnerable to particularly powerful or unforeseen forces of change in the surrounding environment. Our goal is not to undermine agility, but instead to boost anticipatory thinking and resilience so that a start-up doesn't have to be reactive, and can instead use forces of change to its advantage.

In our analogy, the forces of change can be represented by wind. Start-ups are considering winds of change in their strategy, but only through a very narrow view. For the most part, only nearby winds are considered while they set their product strategy. They are aware that farther winds are there, but they do not have a structured process to integrate the potential impacts of those farther winds into their strategies. Therefore, for any recommended process to be successful it must:

- Leverage the power of product vision
- Protect agility and a start-up's ability to change course
- Widen the view of patterns of change
- Connect wider landscape change with product strategy



# Recommendation

Overall, the practice of product strategy at fintech start-ups in Africa would be most strengthened by integrating a process of horizon scanning. That is, a structured process of keeping track of a wide range of patterns of change in the surrounding ecosystem (both near and far). However, the horizon scan is only useful if start-ups are integrating it into their existing practice so that they are giving themselves the opportunity to continually test to make sure that the product strategies they are crafting are anticipatory of, and ideally resilient to, the potential impact of future change.

How might start-ups do this? Most start-ups need a process that is inexpensive, fast, focused, and easy enough to adapt into existing processes. The process I am about to describe aims to do just that. I have taken the principles of horizon scanning, integrated the product strategy considerations of start-ups in this ecosystem and proposed a tool that helps start-ups build anticipatory thinking into their existing practice.

## A Deck of Wind Cards

In Strategic Foresight, practitioners will often organize trends and drivers into a deck of cards. Each card usually has a short description of the trend. This format makes it easy (and fun) to drive generative thinking about the impacts of trends on possible scenarios. One use for trend decks is for scenario experimentation - we can pull out a few cards from our deck and ask ourselves, what scenario(s) might emerge if these trends gained momentum at the same time? Another use for trend decks is for future-proofing strategy. As we create strategy, we can use our trend deck to pull different trends and analyze how the impacts of that trend may impact a strategy. It's a convenient way to have something at hand to prompt us to think through how a trend or

combination of trends may affect our company. My recommendation is for start-ups to build their own deck of trend cards - but modified for this specific ecosystem. They are called wind cards! Some of our wind cards will be patterns of change (farther winds), some cards will be probative questions based on product strategy (nearby winds), and some will be critical uncertainties (storms).

### Building a Deck of Wind Cards

I suggest making this a collective effort that a start-up can approach as a team. Ideally, a start-up can leverage the type of generative, creative thinking that happens around discussions about the product vision. According to Maree Conway (2006), one of the most difficult parts of integrating strategic foresight is convincing people who are familiar and comfortable with quantitative data and predictive decision making that using images, imaginations and working in the ambiguity of an uncertain future can provide value to a strategic process. The benefit of the product vision is that it's an accepted part of the product management process that already draws upon imagination and builds an image amongst the uncertainty of the future - so let's take advantage of that!

A start-up might start with an activity to align on a shared vision and prompt team members to work together to compile their shared deck of cards. Having a brainstorming session like this may help a company compile its first deck, but building and maintaining a deck is an ongoing process that the team can add to at any time to ensure the deck stays fresh and relevant.

### Farther Wind Cards:

These cards will have the forces of change that may have an impact on the wider ecosystem in the next five years. To make sure the winds are broad enough, team members should make sure that their trends fit into all six categories of a STEEP+V framework. It's also important that each of the STEEP+V categories has at least four trends/forces of change. Each wind should have its own card – team members should

give it a name, and if possible, include a short description. This will help make sure the team is aligned on what that wind means.

Chapter 6 has some examples of farther winds that might be relevant, and I have included some starter cards below that may guide thinking. I have developed these cards using information I learned from my scan of recent literature and have included one example from each of the STEEP+V categories to demonstrate the broad level of thinking I am suggesting.

### Some example cards:



Figure 9: Example Farther Wind Cards



Nearby Wind Cards

These are the cards that will help us think through the implications of patterns of change as they come nearer. They will have questions on them. To create them, start-ups should think about the factors that they consider when setting their product strategy. What are the questions they need to ask to ensure they are thinking about these factors deeply and, in particular, how they may evolve over time? These cards will help a start-up think through the potential implications and impacts of the Farther Winds cards.

Chapter 5 goes into detail about Nearby Winds and in particular how they may differ between Nascent and Evolving ecosystems. For example, start-ups in Nascent ecosystems may have Nearby Wind cards focused on the regulatory environment and user feedback. Perhaps Evolving ecosystem start-ups may have more questions on Expansion, Operational Considerations and/or the Competitive Landscape. I have included some starter cards below in all five categories. I developed these based on my analysis of what interview participants indicated are important considerations for their product strategy.

Some example cards:

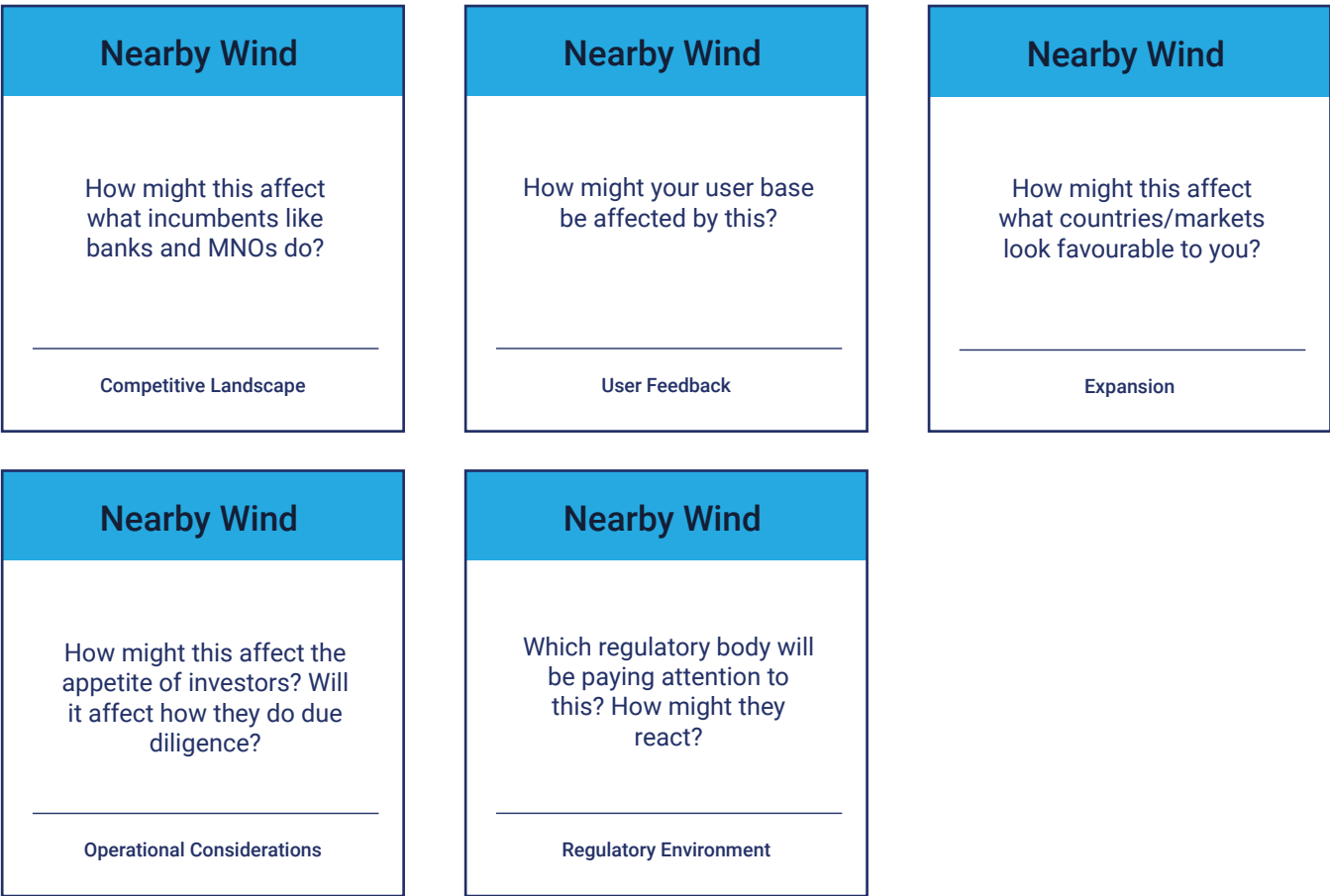


Figure 10: Example Nearby Wind Cards

Storm Cards

Remember those factors that came up in Chapter 6 that we felt very uncertain about, and that we acknowledged were high impact? Like how a regulator might react? Or how long the ripple effects of the COVID-19 pandemic may last? We called these critical uncertainties. A start-up should create cards for these too! These are called these Storm Cards. Their role is to stress-test our strategies against extreme versions of the future that we are currently unsure about. For each critical uncertainty, make sure to create two cards - one for each of the polarities of the critical uncertainties, meaning, the two extreme ends of what might happen.

Storm cards can also be used to document any extreme events that there is evidence may occur. Perhaps this is a meteor hitting? Or a pandemic? Perhaps a start-up can consider extreme events from more mature ecosystems to be used as warnings — like strict, swift, regulation, or a severe change in user preferences. I have included some example cards below. I developed these based on responses by interview participants. The two example cards with the COVID-19 vaccine are an example of a critical uncertainty represented by two storm cards — each displaying one extreme of the uncertainty.

Some example cards:

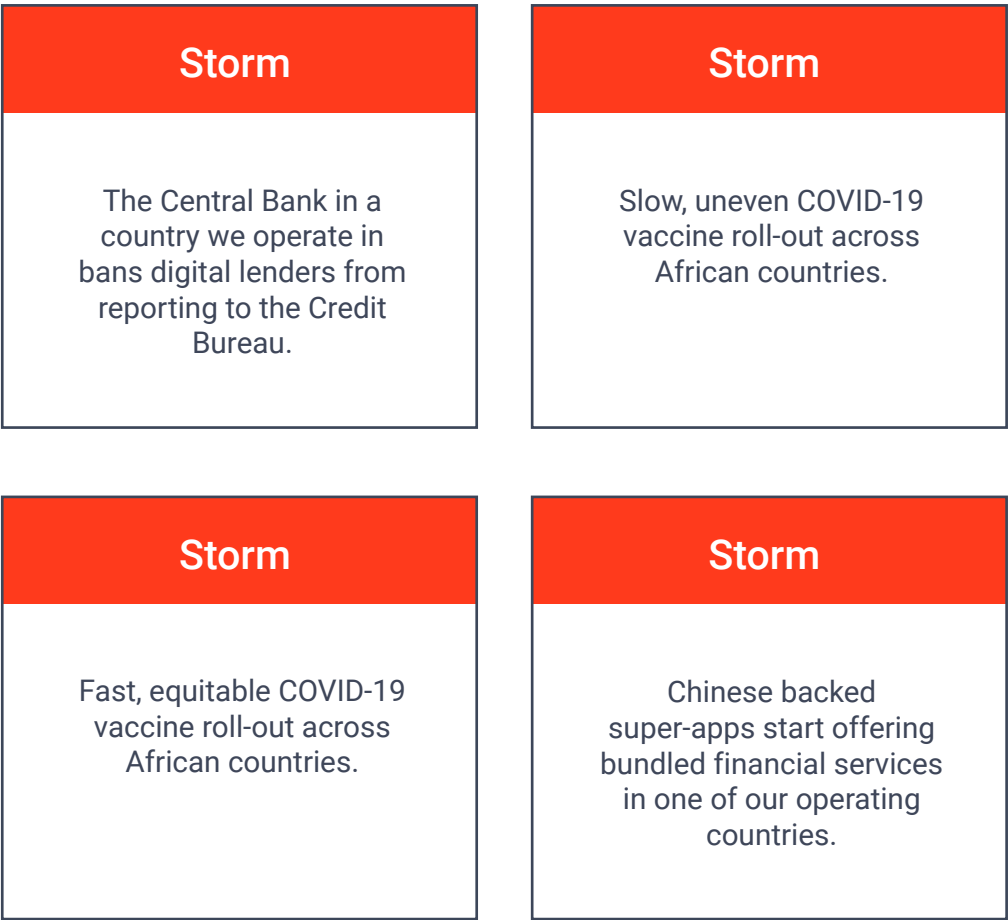


Figure 11: Example Storm Cards

## Using A Deck of Wind Cards

Product leads, start-up founders, and anybody else involved in setting product strategy should keep their deck of wind cards with them. When setting a new strategy, they can pull a Farther Wind card from the deck and ask: How might this trend impact this strategy?

To help them think through this, they can then pull out a collection of Nearby Wind cards and work through how the Farther Wind may affect the start-up as it comes nearer. If they feel confident, the boat will be able to withstand it, they can put the Farther Wind card aside. Maybe they aren't quite yet sure, but want to keep an eye on it? Maybe they need to plan an alternate route in case they see signals that that Farther Wind is coming closer? Maybe they want to start running an experiment to explore another possible route while they monitor for signals of that Farther Wind? Maybe they need to plan an alternate route right away so they can avoid that wind all together. These are the strategy decisions that the wind cards can help start-ups make. Once they've gone through this analysis, with one Farther Wind, time to pick the next Farther Wind card and repeat the exercise again, as necessary.

If they are feeling good about their strategy and the potential routes they have in front of them, it's time to test against the storms. They can pull out a Storm Card or a series of Storm Cards and refer back to the Nearby Winds. What happens if this Storm comes nearer? If a start-up continues steering down this path, and this storm hits, is the boat resilient enough or will it capsize? Will making a reactive turn at that point save the start-up, or are there changes they need to make to their strategy now to potentially avoid that route? Storm cards can help a start-up pre-test their resiliency so they can be less vulnerable to shocks.

As a start-up uses its deck, it is important to remember to keep it updated. If a team member sees evidence of new patterns of change emerging, that means it's time to create a new Farther Wind card. If there's a new consideration a start-up is taking into its product strategy, it's time to create a new Nearby Wind card. If something extreme happens in another market? Time for a Storm Card. The idea is to keep this an ongoing process. A start-up may not need to change its strategies every time it goes through the process, but keeping the wind cards at hand, and up to date, will help make sure that practice of anticipatory thinking continues to be integrated into the process.

The more this tool is used, the more it will become a natural part of the process and embed seamlessly into a cycle of iteration and learning. Imagine the power of agility if it meant a start-up could possibly anticipate change, and even if not and it comes as a surprise, it could turn onto an alternate route that it had already validated. In a world like that, perhaps a few more boats may make it to their destinations.

# 07

## Conclusion

# CONCLUSION

Start-ups in the fintech ecosystem in Africa are operating in an uncertain and rapidly changing context. As more investment flows into the region, more players enter the market, and more potential users come online, fintech start-ups will need to think critically about their product strategy to be able to succeed. They will need to balance a need for agility with a more anticipatory approach. Through this research, I explored how we might draw upon elements of strategic foresight to boost anticipatory thinking and strengthen product strategy for start-ups through the lens of the fintech ecosystem in Africa.

Through a review of relevant literature, I learned that for start-ups to succeed, they need to set a product vision, which is a defined goal, usually about five years into the future. Product strategy is the decisions that start-ups make to get to their product vision. I use the analogy of comparing a start-up to a boat, with the product vision represented by their intended destination, and their product strategy represented by the choices a start-up makes to steer themselves to their destination. We can't forget that the ocean the boat is sailing in also matters. The ocean in this analogy represents the level of maturity of the regional or country-level start-up ecosystem in which a start-up operates. For the purpose of this research, I categorized these as Nascent or Evolving, depending on the level of supporting actors and processes.

Through interviews with fifteen thought leaders from the fintech start-up ecosystem in Africa and sensemaking through thematic analysis, I learned that start-ups in this context generally have well-defined product visions. Sometimes it's highly aspirational and focused on inspiring the team and investors, and sometimes the vision is anchored to a success story from another market, facilitating quick alignment. While they may have clearly articulated their destinations, the path these start-ups are charting are highly volatile and constantly evolving. Because of the rapid growth and change in the surrounding ecosystem, the start-ups I spoke with are very focused on short term strategy to ensure and enable learning and pivoting in response to change. They expect change and therefore must remain agile enough to respond to change when it happens.

However, like a boat navigating uncharted waters, there are also forces of change in the surrounding ecosystem that may impact a start-ups ability to reach its destination. We compared these to winds impacting our boat and its ability to stay on course. I divided these winds further to specify that some are Nearby Winds and some are Farther Winds. The Nearby Winds include the considerations that start-ups take when determining their product strategy and are slightly different in Nascent and Evolving ecosystems. Nearby winds included considerations such as feedback from users and the regulatory environment. The Farther Winds capture

the broader patterns of change in the surrounding ecosystem. I used a STEEP+V pattern of change framework to assess the breadth to which start-ups were considering Farther Winds. My analysis revealed that start-ups were taking a narrow view of Farther Winds, and were not thinking deeply enough about Nearby Winds and the potential implications of both types of wind.

To help start-ups take a more anticipatory perspective in setting their product strategy, and integrate the potential implications of forces of change, I recommended that start-ups adopt a process of horizon scanning. To make this process feasible for start-ups to embed this into their existing practice of product strategy, I suggested a process of creating a deck of cards, I call Wind Cards. Wind cards are a tool that start-ups can use to help them determine how a potential pattern of change may impact their strategy, as well test resiliency of their strategy.

While the limitations of this research project caused me to stop there, I would encourage start-ups to build out this process further by employing other strategic foresight methods that build naturally upon the Wind Cards. One example would be Futures Wheels, which can help explore the wide and various interconnected implications of a trend (or Farther Wind). Another example would be to use the Wind Cards to start building future scenarios to explore

more deeply how the strategies the start-up sets now, may play out as patterns of change accelerate and decelerate in possible and plausible ways. This research opens up a number of potential avenues for further study. One potential avenue is to dive deeper into this context and work with start-ups in the fintech ecosystem to implement and improve the process of building and using a Wind Deck. The other potential avenue is to explore its application beyond the fintech ecosystem in Africa and explore which parts of this method are contextual, and which parts of it can be taken and adapted to other geographies or industries? Is there a possible application for companies that are not start-ups, but are in a rapidly evolving ecosystem? Finally, there may be an opportunity to expand this research further to develop a canvas-type tool that integrates elements of strategic foresight and product theory that start-ups can use to ensure their product strategy is both agile and anticipatory.

To all the sailors out there, may the winds be ever in your favour!

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# Appendix

## Appendix A: Interview Questions

### Introduction

Check in on nature and scope of work in the industry – role, # years, company

1. Can you tell me a little about your experience working in fintech in Africa? How long – what role(s) – what countries – types of products?

### Fintech – Product Strategy (if applicable)

2. How did you (or the founders) decide this was the right product for a user base in Africa? (product/market fit) What is your product vision? Can you tell me about how you (or the founders) crafted this?
3. What does product strategy mean to you? Does your company have one?
4. Who are the key stakeholders involved in product strategy at your company? Who sets it? Who implements it?
5. What are the inputs to product strategy? What do you consider? Do you use any frameworks?
6. How often do you update it? Can you tell me about that process?

### Looking Ahead – Ecosystem (5 year Horizon)

1. Looking ahead for the next 5 years – what do you see as the future of your product?
2. Are there specific technologies, policy areas or other global patterns or drivers of change you are keeping your eye on because of their potential impact on your company/on the fintech ecosystem?
3. What do you see as the biggest opportunity areas for your company/ African fintech in the next 5 years?
4. What do you see as the biggest challenge areas your company/African fintech in the next five years?

Appendix B: Interview Participants

Table 2: Ecosystem Maturity:

Maturity	Number of Interview Participants with Expertise
Evolving	9
Nascent	6

Table 3: Country Expertise:

Country	Number of Interview Participants with Expertise
Nigeria	8
Kenya	6
Ghana	3
Senegal	4
South Africa	2
Côte d'Ivoire	1
Malawi	1
Tanzania	1
Mali	1
Zimbabwe	1
Sierra Leone	1
Rwanda	1
Zambia	1

Table 4: Company Size:

Maturity	Number of Interview Participants with Expertise
Pre-Seed	3
Seed	2
Series A	4
Series B	2
Series C	2
non-profit	2

Appendix C: Signals and Trends from Interview Participants (STEEP+V)

Table 5: Descriptions of Signals and Trends from Interview Participants

Category	Name	Description
Social	Population Growth	If population growth continues at its current rate, Africa's population is projected to double by 2050. At that point, Africa would be home to more than a quarter of the world's population.
Social	Increasing Digital Literacy	Digital literacy is the ability to use information and communication technologies, like computers and cell phones. As internet and mobile phone adoption and diffusion has spread, digital literacy in Africa has improved.
Technology	Cryptocurrency	A digital medium of exchange that has a secure, transparent decentralized processing and recording system. In Africa, cryptocurrency has been used to reduce the cost of sending remittances.
Technology	Open Banking APIs	A system through which banks can open up their data for third-parties like fintech start-ups in a secure way to develop new products and services. Nigeria has the most developed open banking environment so far in Africa.
Technology	Neobanks	A new kind of digital-first bank that doesn't have a traditional physical branch network like legacy banks. Since mobile infrastructure is better than physical infrastructure in many parts of the continent, neobanks have been hailed as a possible key actor in serving the unbanked in Africa.
Technology	International Remittance Tech	Previously dominated by a few players, the international remittance space has seen disruption with new actors using new technology to lower the cost of sending money across borders. Growing migration trends in Africa highlight the need for these types of services.
Technology	Artificial Intelligence	Artificial Intelligence (AI) enables machines to have human-like cognition. In 2019, Google opened an AI Lab in Ghana, where the focus would be on AI powered technology applications in health, education and agriculture.
Technology	Blockchain	An open and distributed ledger system that can transparently record transactions. This is the technology that underpins cryptocurrency and a number of fintech applications in Africa. This technology has also been used in Africa to decentralize and increase transparency around land ownership records and pharmaceutical distribution chains.
Technology	Smartphone Adoption	Africa has one of the world's fastest growing smartphone markets. While most of this growth has been driven by South Africa, Egypt and Nigeria, as mobile network coverage expands, smartphone adoption is projected to grow alongside it. Some Chinese smartphone producers are opening up manufacturing plants on the continent to keep up with local demand.
Technology	Edge Processing	The ability for advanced computation of data to happen directly on a device. This technology could have a significant impact on data privacy and security as it would limit the amount of potentially compromising data sent to the cloud.

Category	Name	Description
Technology	Contactless Payments	The ability to pay without exchanging cash or handling transaction terminals. The COVID-19 pandemic accelerated this trend in Africa as people became more concerned with virus transfer through physical surfaces, in particular in cash and card favouring countries like South Africa.
Technology	Superapps	A single app that gives its user access to a wide range of services like communication, banking, ride-hailing, and payments. Superapps have been popular in China, and some say Chinese influence on the African tech scene will lead to more of them gaining traction in Africa.
Technology	Central Bank Owned Cryptocurrency	Digital currency controlled by the government, meaning it may be subject to regulation and taxation. A few governments around the world are experimenting with this. Some say the Nigerian Central Bank's 2021 ban on cryptocurrency is a signal towards their developing their own.
Technology	Data Sandboxes	Governments are opening up controlled datasets to enable fintech start-ups to innovate and experiment without being encumbered by regulation. Several African governments have opened up data sandboxes in recent years.
Economic	AfCFTA	The Africa Continental Free Trade Agreement is an agreement between the member states of the African Union to reduce tariffs and create a single market for goods and services. Trade began in January 2021. This is a signal towards increased cross-country trade, and a pan-African approach to economic development.
Economic	Decentralized finance	An alternative approach to the global financial system - one with no central authority. Financial products are available on a blockchain, making them available to anyone. Some see Africa as the perfect launchpad for decentralized finance because of the large unbanked population coupled with an appetite for technology innovation.
Economic	Digital Lending	The use of technology to assess and disburse credit. In many countries in Africa, companies have been able to use the infrastructure provided by mobile money to offer digital lending products.
Economic	Venture Capital to Local Founders	A recent trend towards more Venture Capital (VC) investment going to local founders in African countries. Nigeria and South Africa lead in this regard, while Kenya is still seeing much of its VC funding heading to foreign founders.
Economic	Every company is a fintech (Uber)	Non-financial related companies are increasingly moving into experimenting with financial products, such as mechanisms to pay. Uber is an example with its "uber cash" product. This type of product may set the basis for increased experimentation with products such as lending or savings, crossing these companies squarely into the domain of fintech.
Economic	FB Libra Flop (Diem)	A cryptocurrency launched by Facebook that was intended to be the centerpiece of its digital payments strategy. After intense pressure from regulators and some key partners dropping out of the non-profit association meant to regulate the currency, Facebook has rebranded it and shifted its digital payments strategy to focus on supporting existing government backed currencies.

Category	Name	Description
Economic	Data Sovereignty	The principle that data is subject to the laws of the country where it exists.
Economic	Reliance on Cash	Many countries in Africa have been traditionally very reliant on cash. The COVID-19 pandemic has pushed forward tolerance for digital payments and contactless card payments in many countries.
Economic	Gold Rush/ FOMO	Africa is trending. Foreign investors are clamouring for deals, foreign accelerators are bringing in more African companies and foreign tech companies are opening up new offices on the continent.
Environmental	Expanding access to electricity	Strong electricity access policies and the support of off-grid solutions in various countries across the continent have contributed to the steady rise in electricity access over the last decade. The COVID-19 pandemic has reversed this trend thanks to shifting priorities at the government and individual household level.
Political	Old leaders out-staying their terms and young activists	Despite international pressure and what seemed like a trend towards respecting term limits, the number of older African leaders that are finding ways to outstay their intended terms is rising again. Young populations across the continent are organizing protests and calling for change.
Values-Based	Concern for Data Privacy	Data privacy refers to the right for a person to control who has access to their data. A growing number of African countries are now passing laws and civil society organizations are pushing consumer awareness of the issue into public discourse.