

Scaling the innovation economy and investing in Africa's success #AESIS2020

The startup industry has always played on the fringe, often overlooked in its significance by key stakeholders. There has always been a healthy dose of skepticism. Yes, technology and innovation brought to the fore by startup entrepreneurs has a role to play, but how significant the impact? Yes, Africa's startups have a possible social impact, but how significant will this impact be? Yes, Africa's startups might be investible and could offer a financial return, but how interesting are they as an investment opportunity, and will they ever return?

This past year has shown more clearly than ever, that in today's world, it is indeed the startups that shine brightest. The innovation, the technology-driven products, and services are part of the backbone for Africa's most critical industries: financial services, food supply, healthcare, education, energy, transportation, and logistics. Not only is the significance and the role of the startup industry clearer than ever before, but the investment opportunity is also quickly being realized with record levels deal-making with headlines announcing for the first time a regular flow of mergers and acquisitions.

In the same breath, however, these turbulent times bring about many new challenges. 85% of startups in the VC4A community report a decline in revenue. Limited cash means short financial runways, a perilous position for any startup. Many industries are being hit hard and will be structurally changed forever. The rising levels of inequality are now exacerbated by those with an internet connection vs. those without. Income-generating opportunities are limited and many are left without a job or impacted negatively by companies downsizing or repositioning for the future. There is an ongoing global health epidemic that is impacting families, friends, and teams around the world. The need for smart entrepreneurship is clear and where every effort is needed to bring about more positive change.

The industry is coming into the limelight, it's role and responsibility more significant than ever before. That's why [VC4A](#) and [ABAN's Africa Early Stage Investor Summit](#) community is coming together once again – for the 7th consecutive year – to chart the path forward.

Charting the course #AESIS2020

While this year's Summit will not have the beautiful backdrop of Cape Town (unless you're lucky enough to be joining us from there), we do plan to deliver just as high-quality and engaging sessions as in years' past – through what we're calling Investor Dialogues. We're also creating an exclusive investor community where you, as an investor, will be able to sign up for relevant investor events, discover deal flow, and network with fellow investors, as well as participate in the VC4A Venture Showcases. All of the videos and resources are going to be shared in this community for investors, by investors.

Key takeaways from last year's Summit included that:

- Africa's startup ecosystem, as of 2018, was on par with Southeast Asia's of 2014, with a major increase in early-stage investing expected;
- Ecosystem actors need to stop looking to Silicon Valley and create their own ecosystem model and path for growth;
- African startups create social impact but investing for profit remains the leading driver for investor participation;
- Fund managers and investors need to play the long game to reap any returns while there is a need for more fund managers to enter the industry.

Why the Show(case) must still go on...

In light of the COVID-19 pandemic, the need to come together virtually and to collaborate on deals is more necessary than ever. The world needs to recognize the quality of innovation and entrepreneurship taking up across the continent and the unique opportunity to be part of major success stories, now. The Venture Showcase has established itself as the premier platform for presenting the [best companies ready for Series A](#) from across the continent. We've seen showcase companies raise more than \$100 million in recent years, so the bar for founders is high.

And for the first time ever, VC4A is hosting a separate [Venture Showcase for seed-raising startups](#). A critical juncture for any startup comes at the seed stage, a financing segment that has experienced significant changes these past months. Startups seeking to raise seed funding represent a critical pipeline of innovation that is driving high growth high impact solutions on the continent and are the future of our industry.

A great addition to the team this year is Amazon Web Services who is joining the Showcase as a technical partner through its AWS Activate program. "We're very pleased to see AWS join in the shared mission to grow and help scale Africa's best startups. AWS brings unparalleled expertise and global infrastructure into the mix, and where the Showcase companies receive direct access," adds Ben White.

Don't miss out! Register via www.africainvestorsummit.com and add to your calendars [here](#).