

How tech startups can navigate working with corporate South Africa

 By [Christopher Ball](#)

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According to McKinsey, between 2020 and 2021, the number of tech startups in Africa tripled, with almost half of these being fintechs. These tech startups are making it their business to disrupt and augment traditional financial services. For large enterprises bogged down by red tape, partnerships with smaller tech companies can provide them with the know-how, talent and ready-made products they need to take the lead. When these relationships are managed well, it usually results in healthy disruption and huge uptake of new tech that benefits both consumers and enterprises.



Finch Technologies co-founder Christopher Ball | image supplied

Here are a couple of ways startups and enterprises can build sustainable partnerships:

Laying the foundation

As with any business partnership, the first steps are always crucial in setting expectations and the structural layout of the project.

When getting started with an enterprise, take a step back and look at the bigger picture. Find out who the stakeholders are in order to gauge what they'll want from the project and what would make it a success in their eyes. This will assist in developing a clear action plan that everyone will be happy with once the project is completed. Contract signing should be a top priority before starting on any work.

According to McKinsey's *You Can't Buy Love: Corporate-startup-partnerships*, only 27% of startups surveyed were satisfied with their corporate relationships. This is something that can easily be remedied with a solid and sustainable foundation.

In the first few months of delivering a project, scope creep is practically inevitable. When anticipated and well managed, it can lead to a more robust solution. It may be tempting to just accept enterprise terms, however, it's best to be diligent about making sure that any changes align with the product strategy.

Don't take time and energy away from the core offerings that lead to the partnership. Once the project is up and running, startups are often at the beck and call of the client. So, before getting started, make sure the reporting structures function well and support services are ready.

A marriage takes work

Something startups will likely only figure out once they've formed a partnership with a large enterprise is – are they growth enablers or restrictors? Will working with them empower the team to grow revenue, talent and tech offering or will it stunt growth and prohibit the business from taking a step up?

Keeping this top of mind when approaching the next client is crucial, and often it takes trial and error to figure this out.

Tech business owners will need to ensure the team stick to the core product offering. This is likely what landed the enterprise clients or RFP. The operations manager will need to take charge here.

There should be an oversight that ensures the tech team don't make bespoke changes that are solely to benefit the client's needs. This will often lead to losing sight of the bigger picture, neglecting other clients or not having enough energy to build on the current offering.

Pressure cooker situations are unavoidable when working with large enterprises, and often they want their outsourced tech teams to get a product live and running immediately.

From the get-go, and if needed during the partnership, set up meetings to outline the offering and restrictions, and make it clear that the product is a key focus.

The big wins and downfalls of large enterprise partnerships

It's incredibly exciting for a young tech team to work with corporate giants. It can be a game changer for both parties, as well as for the market. A focused business development strategy in the early stages is vital in landing contracts with big names who will be able to catapult a startup quickly.

Brand association and word-of-mouth are obvious benefits to these partnerships, but in an addition to this, it's getting access to a wider talent pool. These experts and professionals will allow the startup team to tap into a wealth of knowledge

and experience that may not have been accessible before.

Powerhouses like Pep, Shoprite, Vodacom and MTN hold distribution as a strong suit, where they have access to a majority of South African consumers.

Working with clients like these can open entirely new distribution avenues and have a massive impact on scaling a startup. With great power, comes great responsibility, and this is especially the case when it comes to these partnerships.



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One of the biggest challenges faced during the course of any tech project is the disconnect between the velocity of the small tech business and that of the large corporate.

Layers of bureaucracy mean these large corporates tend to move more slowly. Many startups take a negative stance on this and want to play the blame game when this leads to delays in many types of outcomes.

Awareness of the nature of the beast and managing those layers well will be the startup's responsibility. It's important to remember that each part of a project needs effective project management, from contracting all the way to delivery. Part of this management is knowing when to cut ties and leave the project.

For startups, their time and product offerings are their most precious resources, so if the partnership doesn't feel like the right fit don't be afraid to terminate the contract.



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Established enterprises are bound to give insight and suggestions on product enhancements, tech startup leaders will need to stay true to the product and product road map.

Startups should throw imposter syndrome out the window, your seat at the table exists for a reason, so back yourself. Healthy partnerships, need to start off on the right foot, put together an outlined outcome for the project and have mechanisms in place that ensure its followed.

There is a disconnect between the different operating models of tech companies and large corporates.

The responsibility lies on startups' shoulders to fully understand what ride they are in for, and to work closely with the champion on the other side of the project.

Don't partner with a big corporate just for its brand recognition or financial gain but rather place a high value on how the partnership can help the startup grow sustainably.

ABOUT CHRISTOPHER BALL

Christopher Ball is the co-founder of Finch Technologies. Finch Technologies is a South African-based fintech startup that builds financial technology solutions for service providers that need to originate, onboard and enrich their databases and technology stacks. With a mission of powering financial access in Africa, Christopher and his team are driven to create products that drive financial inclusion and benefit the end user.

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