



# **BUSINESS INNOVATION IN KENYA 2021**

**TIME FOR CORPORATE-STARTUP COLLABORATION**

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## Introduction

The Kenyan innovation eco system has matured evidenced by;

- ▶ Ranked 86th globally and 3rd in Africa in the 2020 Global Innovation Index (GII). (GII Looks more on physical infrastructure etc)
- ▶ Kenya ranked top 3 in Africa in the Global Startup Ecosystem Index (GSEI) which measures ecosystems based on three metrics ie the number of start-ups (quantity), quality, and their business environment.
- ▶ GSM report indicates Kenya is part of Africa's innovation quadrangle which consists of Nigeria, South Africa and Egypt with a total of 50 tech hubs.

The impact of innovation in Kenya has been felt socio economically with great examples of M-Kopa, Twiga Foods, Mpesa , Sendy, among others.

Although startups and legacy entities such as those listed at the securities exchange may have differences in risk appetite the success of Kenya's business environment and unprecedented economic growth is dependent on successful sustained collaboration where legacy companies have a need for innovation through access to new business models as well as sourcing for new technology while startups have a need for resources such as financing, supply chains, rapid access to markets among others.

Viffa conducted a survey in July 2021 targeting large legacy companies to try establishing current innovation strategies as well as exploring mechanisms of collaboration with the startup eco system.

## Acknowledgement

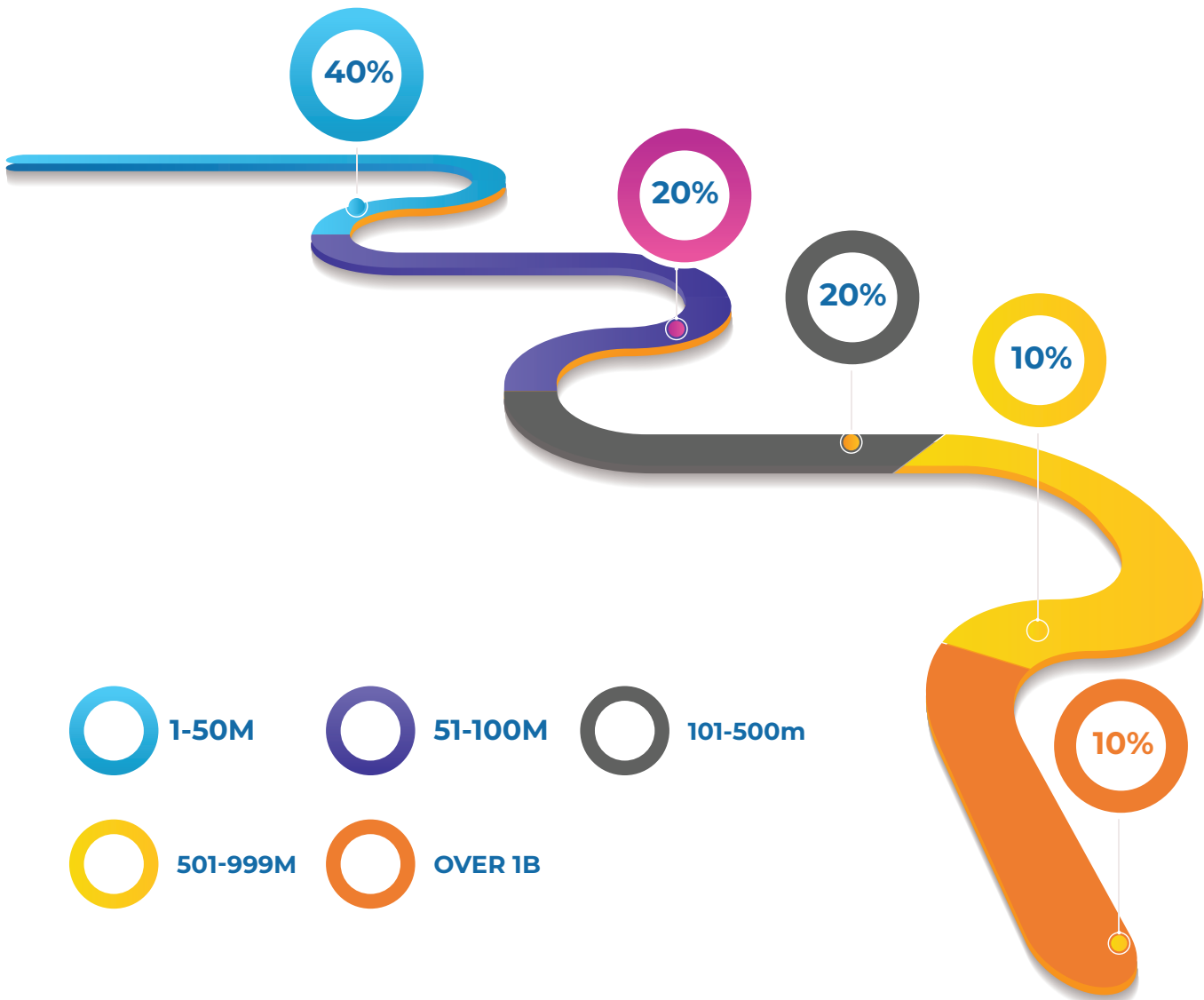
Deepest gratitude to Viffa team that worked tirelessly to bring the report to fruition. A big thank you to all companies who participated in the survey as well as key experts who shared their expertise.

## Study Methodology

|               |  |
|---------------|--|
| Study tool    | Online & Telephone survey<br>Expert Interviews   |
| Sample Design | Purposive {Counties; Nairobi, Machakos, Kiambu, Kisumu, Mombasa, Nakuru}<br>Random {Within counties} |

## Results

### Turnover Distribution



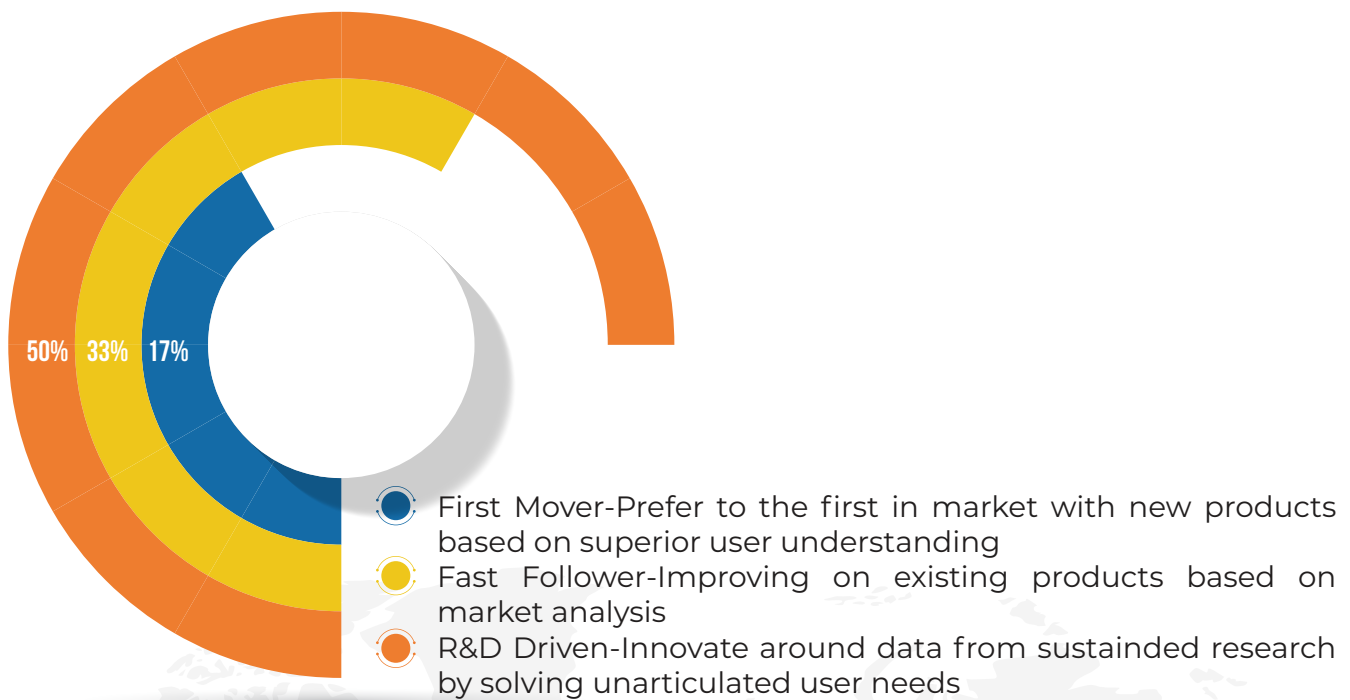
## Innovation status

innovation is a primary focus hence we are constantly developing new ideas

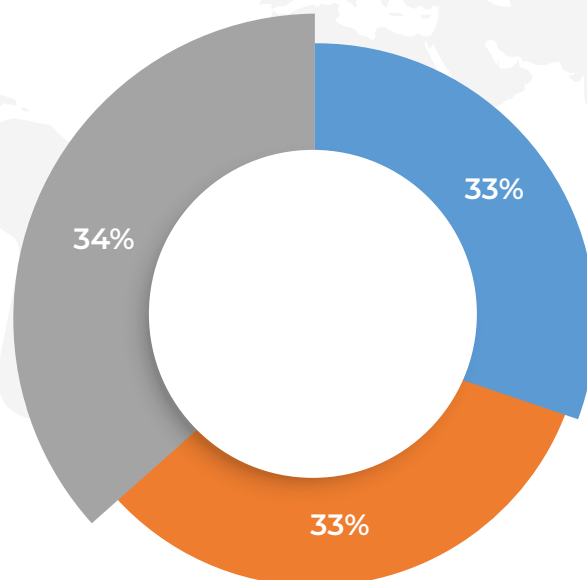
innovation is on our watch list so we are alert to new ideas and adopt them quickly

Innovation is not a priority in the market we operate

## Current Innovation Approach

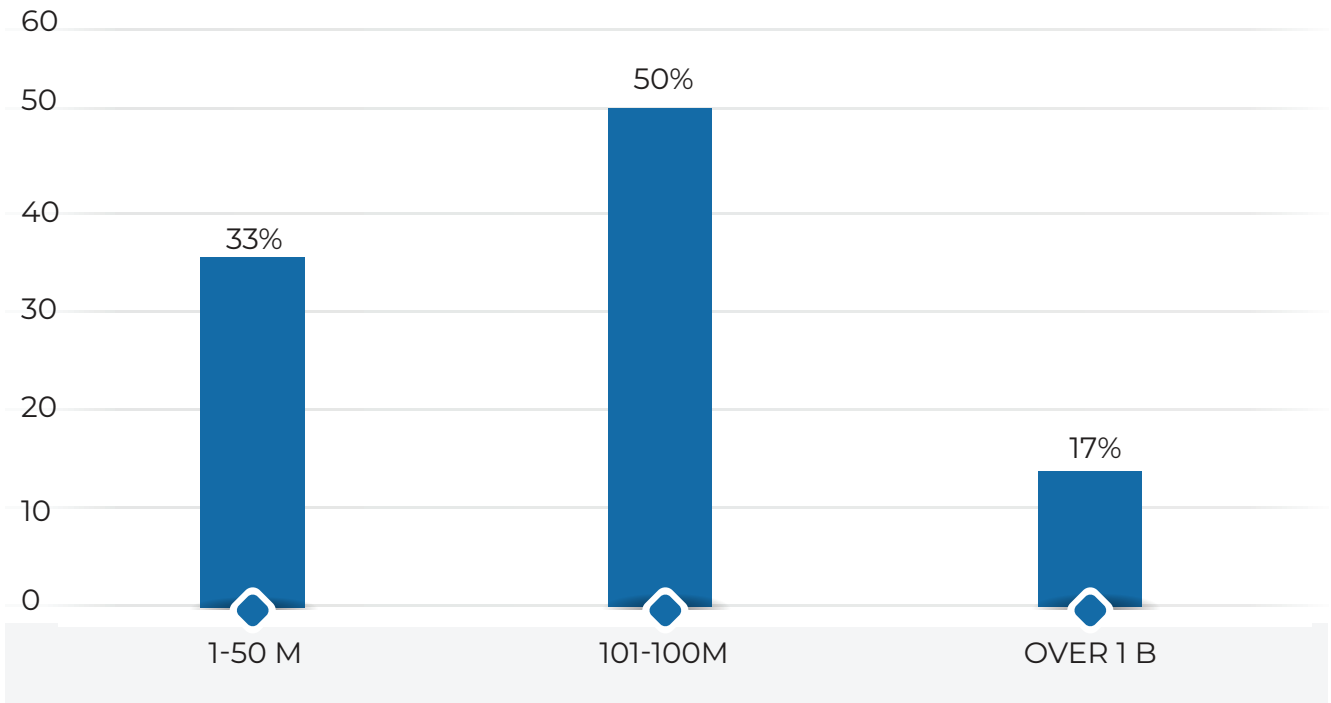


## Drivers of company innovation

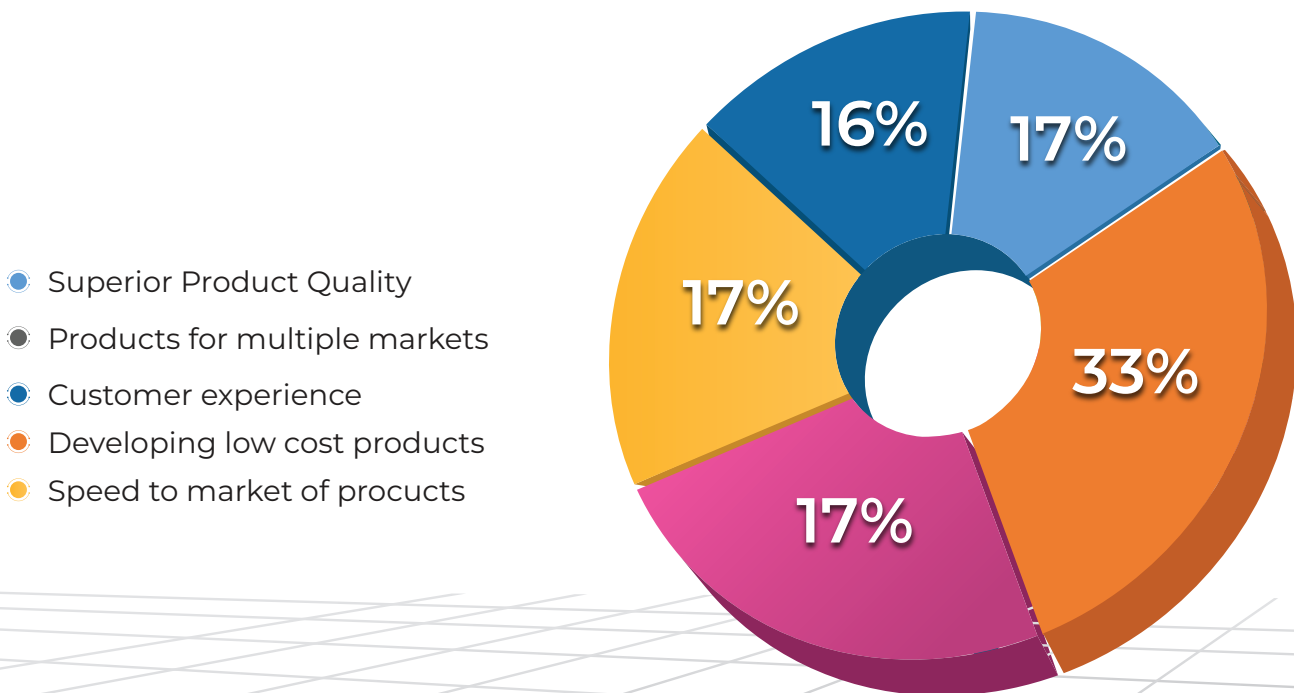


- Expiry of Intellectual Property
- Market Saturation
- Rapid Change in consumer taste and preference

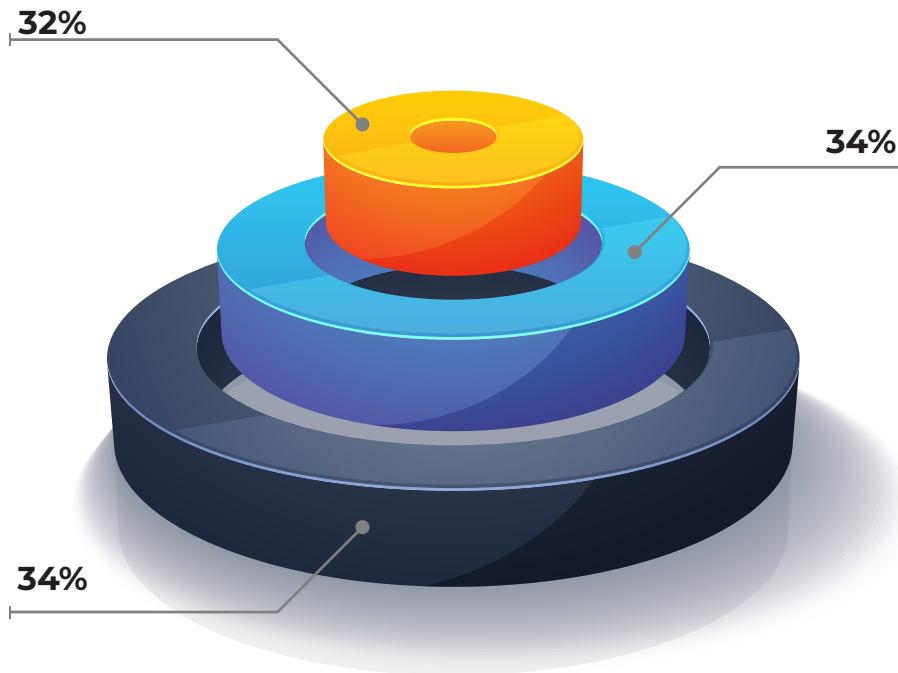
## Portion of turnover allocated to innovation oriented initiatives /programs (Either actual or proposed)



## Planned areas of innovation for next 2 years

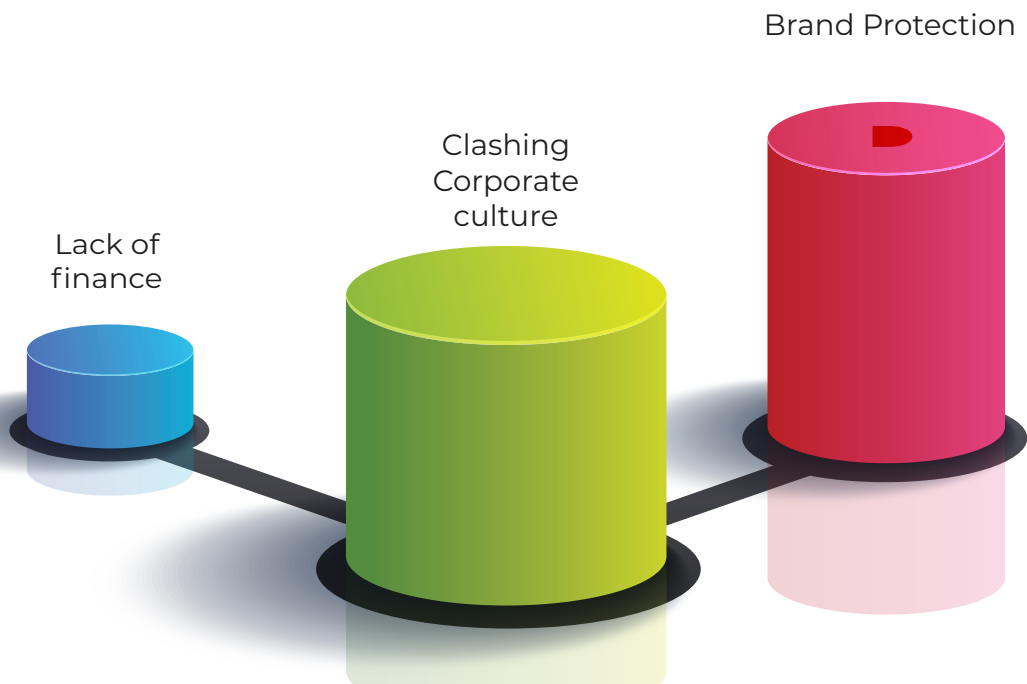


## Innovation challenges currently faced by organization



- Unsupportive Corporate Culture
- Lack of talent
- Weak Leadership

## Potential challenges of collaboration with startups to drive corporate innovation



## Optimal model for startup collaboration to drive corporate innovation







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