

Expanding trade & commodities through tech

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BRADLEY HOWARD, ENDAVA HOST (BH): Hello, everyone. I'm Bradley Howard and I'm happy to welcome you to the latest episode of Tech Reimagined. I'm thrilled to have Viola Llewellyn as our guest today. She's best known for her commitment to expanding the trade and commodities industries, and Viola is the co-founder and president of Ovamba Solutions. Viola, welcome to our podcast. How are you today?

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VIOLA LLEWELLYN, PRESIDENT & CO-FOUNDER OF OVAMBA SOLUTIONS, INC. (VL): I'm super Bradley. Thanks for having me.

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BH: Can you tell us a bit more about your background and your impressive career so far?

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VL: I hope it looks impressive from the outside. Believe me, every day is a struggle. Born and raised in London, lived in Reading, Berkshire before going to work for Digital Equipment Corporation. I worked for IBM when I lived in Slough, and a bunch of other tech companies that are now dead and defunct, which is not my fault. Wang disappeared on their own after I left, and I went on vacation, on holiday to the United States in 1992, and I never left and I continued my career there, where I ended up gaining some really amazing experience and then founding Ovamba Solutions Inc with my business partner Marvin Cole, where we focus on trade tech innovation.

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BH: Excellent. Let's talk a bit more about that trade tech. So we're going to be discussing today about harnessing the power of technology to expand the trade and commodities industries, specifically on FMCG or once again, Fast Moving Consumer Goods. So let's get started. So we're going to call you today our trade and FMCG expert. Can you give us a whistle stop tour of what the industry looked like before technology and the biggest benefit that you think technology has brought to the field?

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VL: Well, I can speak to it from the perspective of Africa, where we are focused and have our offices in Douala and Ivory Coast and now in Egypt. And before we started fast moving consumer-bought goods was a very interesting situation that we ran across individuals just buying goods from wherever they could, both domestically and internationally. There were high taxes and tariffs. There was a lot of logistical disruptions and imperfections and inequalities and lack of economy in those areas. So further down the pyramid, where you've got the informal sector - especially where there are women - and small and medium enterprises, they're not getting services from banks. LCs are too expensive for them. Their quality of goods and the choices of goods are restricted. They're trying to make choices based on money, not even value, and they're serving a customer base that does not have the democracy of choice to quality of goods. So you end up, especially in Francophone Africa, buying goods from the same old places - East Africa, slightly different South Africa, very different in North Africa, very different - and then, cross-border trade non-existent. No African continental free trade agreement had been ratified. Just a few companies like Ovamba and a few of our others who are not quite competitors, trying to find a way to gain access to goods, fast moving consumable goods that people are using in response to the growing middle class of Africa. So that's the market that we came to: customers running all over the place. In fact, one

microfinance institution telling us, I don't trust customers, when they want to buy these goods, I actually put one of my staff on a plane with them to go and make sure that they're actually buying what they say they're going to buy. So there was lack of visibility, is the name of the game here, and we changed that by putting everything into workflows and workstreams, into products like bank partner Pamoja and then going to banks and trying to teach them: even though you can't take inventory onto your books, you can work as an agent. We can work as an agent for you and somebody saw what we're doing, and they said, "that's Islamic finance". "Is it, what's that?" So, went off and studied and came back, and the market has changed dramatically during that time, with us being one of the leading innovators.

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BH: So, I hear Egypt being mentioned more and more. Almost every day, I hear something else about Egypt. Can you tell us more about what it's like, the environment there? Is it culturally just ready to adopt some new fintechs? What is it that's special?

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VL: My word - it's on steroids right now. Every time you see something like this happening in an African nation, especially places like Senegal, it's because the Ministry of Finance, central banks and policymakers have decided to use their wherewithal to politically drive the agenda for small and medium enterprises, and have gone through financial reforms. Financial reforms that include changing regulations around banking, allowing cryptocurrency engendering digital innovation, asking for other players to come into the market to support growth or to introduce investment, all of which are exciting for Ovamba, and Egypt in itself. The small and medium enterprises are really beginning to understand what it means to have choice of capital sources and gain access to services. It's very, very exciting.

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BH: So would you say that technology helps the trade and FMCG markets across the globe, or is it particularly suitable for frontier markets?

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VL: It's across the globe. The world is getting smaller. We're doing more business with each other. At least that's the plan. With technology, we now have the ability to reduce the amount of paper that's involved in traditional trade. We were talking previously off-microphone Bradley, about the commodities market, which is very, very paper heavy. I know that groups like Siemens have created ways in which to reduce and automate that process. But the problem here is that in some regions, banks are still very paper heavy and they've not shifted over to a full electronic or digital process of paperwork and workflows. Ovamba has done that using apps and voice computing, and allowed African businesses to just scan and upload documents, even in regions where the legal standard has not yet ratified rules around PDFs, electronic signatures or anything like that, so people are forced into a paper roll. But we've found ways in which to do everything right up until the end. And although this is not part of the conversation, it's important for the listener to understand that when they talk about digital innovation, especially in Africa, the middle is digitized. The front end and the back end is not. And for trade what I mean is, there is still a tendency to want people to come in and have a conversation, or to get on the phone and have a conversation. It's really difficult for people to feel comfortable about not having looked into the face of the individual they're doing business with - and at the very end, because there is not a ratification of these laws around digital signatures, you still end up with a whole bunch of paper. But to smooth that all out and use any kind of optical scanning, data protection and document preservation is going to be the big thing to change that.

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BH: Is that quickly accelerating - the regulation around signing is just one example, but other legal documents?

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VL: Not fast enough. Regulation always lags behind innovation. So there is the idea that if you've not been slapped on the wrist, carry on until you are caught or you're in trouble or do what we did. Go present yourself to the Ministry of Finance and say, "Oi, listen, this is what we're doing." But what happens in those circumstances, especially under the African realities? The word project, which I absolutely detest and I eliminate it from my language as much as I can, tends to lead people to think that you're experimenting around an idea versus being commercially viable. So by the time the Ministry of Finance understood Ovamba's been funding companies, we'd been operating quite well. They thought it was just a project.

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BH: Right, okay. And so as a renowned innovator in the fintech space, what do you think is going to be the biggest innovation, or multiple innovations, that we can expect to see in the next few years?

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VL: Everything and anything to do with cross-border trade - and again, these simple things around electronic signatures, digital currencies. I predict that we will eventually get to the point where we will have harmonized business and banking documentation to aid portability - with your data, with your I.D, with your bank accounts, your wealth portfolio and your business. Getting all of those in sync together is something that Ovamba is pursuing quite quickly,

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BH: There's cross-border trade, but there's also cross-border payments. How does that work in some of the markets you operate in?

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VL: So much innovation and creativity going on there, even if people are bundling services together from different offerings just to give the approximation of a finished solution. So from ordering or applying for either a loan or some other alternative finance financial facility, to paying that back and having somebody else know that you succeeded in being trusted with capital. There are no credit bureaus, but Ovamba is partnering with a few to build risk bureaus that show how did somebody perform and behave at the end of it all. This is such a critical area that I see a lot of development happening.

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BH: Yeah, we've been looking at some of the Nigerian unicorns. So those are companies that are worth more than one billion, and most of them are - the ones we've looked at, they're based around the payment space. Companies like Opay, Interswitch, Flutterwave, etc, are trying to sort out some of those payment challenges.

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VL: The more they succeed, the more groups like Ovamba can grow. They are the answer to what are you using to pay for the thing that you're buying, and we're concerned with, what do you want to buy and how can we maximize the economic outflows from your payment of that. So if we've got good payment companies providing great supportive financial help to push capital around the

market, the more growth there is, and where there's growth there is the need to consume. Where there's consumption, there's profit.

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BH: Yeah, it becomes very cyclical and self-fulfilling at that point, doesn't it?

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VL: Totally.

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BH: And we've also talked a little bit about digital currencies in here as well. What's the future looking like for digital currencies in Africa?

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VL: It has to happen. There is a school of thought that says, Africa missed the boat and will leapfrog because before COVID and during COVID, where the tangibility of coin should have been eliminated, it didn't. But it didn't drive the COVID numbers up as high as people thought that it would. But there are schools of thought that say, the quicker we get rid of physical currency and move to digital, the more control and understanding and data we can pull in poor environments. But that leads us to something else.

My concern around that is who's going to print that currency and what is it being backed by? We went from the CFA zone, which is 17 harmonized countries in OHADA with a currency that is created and managed by France. And then everybody complained, because they ought to, and said, OK, we're going to do the Eco, but it's still French. We need to have Africa create their own currency. That's not petro-driven and is tied to natural resources on the continent, of which we have plenty, and I do not recommend oil. So therefore crypto currency and digital currencies need to be looked at seriously. Nigeria's leading the way. Good for them. Really excited and watching to see what happens there. But we need to change.

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BH: And is there the internet infrastructure and connectivity to support having a digital currency?

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VL: I would say yes, latent as it may be compared to some. But then again, Africans lead the world when it comes to the creativity, and the creative use of cell phones and the movement of value, even from cell phone data purchases and the ways in which people can markup or markdown or buy in value or move that value from one cell phone to another. That right there is an indicator that some incredible things that I probably am not even capable of thinking of are coming down the pipe.

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BH: I think are you referring to products like M-Pesa, which was about using prepaid credit in order to swap that and send it from one phone to another, and it became its own currency, but that was never the intention.

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VL: And not just that, there are others coming along as well. Yeah, but M-Pesa led the way, and so grateful to them.



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BH: Yeah, it was the first digital currency. You heard it here first, but there you go. Thank you, Viola, for joining us on Tech Reimagined, and the chance to get your perspective on how the trade commodities and FMCG industries work in Africa. Really interesting. To all of our listeners, if you like today's topic, please show us some love and hit that subscribe button. Don't forget to tune in next week for another episode of the podcast. If you have any further questions or want to reach out or you've got any comments, then please drop us a line, at endava.com, or message us on any of the social media platforms. I'm Bradley Howard, this was Tech Reimagined - until next time.