

The rise of Wumdrop

The 2017 MTN App of the Year Awards is currently underway, with the gala awards event scheduled to take place on 12 October 2017. According to Mandisa Ntloko, general manager of enterprise marketing: MTN Business SA, the event is a springboard for entrepreneurs to not only create solutions that assist society, but also to launch and grow businesses that provide cutting-edge solutions, contribute to economic growth and create much-needed employment opportunities.



One SA business that has benefitted from the MTN awards recognition is Wumdrop, winner of the Best Enterprise category and Best Overall Application winner of the 2015 MTN Business App of the Year Awards. The niche on-demand courier service has gone on to service an impressive list of corporate clients, cementing its place in the delivery business.

Humble business beginnings

Simon Hartley, the founder of Wumdrop, recalls the company's humble beginnings: "Myself and my business partner at the time, Roy Borole, were toying with the idea of starting a business. We didn't have seed capital to start a business and figured that we should venture into something that wouldn't be capital intensive, and wouldn't unduly expose us should it not succeed.

"We gravitated between selling coffins or nappies, as the market for these commodities is always available, and ended up opting for the nappies. What set our business apart was that it was subscription-based, as opposed to demand-based, where we delivered nappies to our customers at their homes or places of work at a time they prescribed, not according to our operating hours. This simple, yet profound, distinction set us apart from conventional courier businesses, and, like Uber, restored power to the customers, turning the industry on its head."

It wasn't always smooth sailing, Hartley recalls. When the business started in 2014, they managed to get about a hundred customers as regulars. "Roy and I did all the deliveries in strict accordance with the customer's wishes. However, as the business grew, we became stretched and had to source additional capacity to assist with the deliveries. We secured the services of some courier companies to help us, but began losing clients, as the third-party couriers defaulted to their own delivery times.

"We were losing an average of three clients a week, which is terrifying if you have a client base of about a hundred customers. Soon, we took back our operations, won back lost customers and, subsequently, added more onto our database as word spread about our tailored services," Hartley recalls.

The turning point for the business came when the company developed an app and website to enable online orders. "We started receiving requests to courier other goods, and this diversification enhanced our revenue streams. This is when the penny dropped: there was more revenue in offering general delivery services than selling nappies. Even though the business was thriving, our due diligence convinced us that the market was not dense enough to sustain a courier service, and we realised that we needed to develop solutions that would enable businesses to offer customised delivery services to their customers."

Big break

Wumdrop's big break occurred when the company's online-delivery app scooped the MTN Business App of the Year Award in 2015.

"The competition enhanced our credibility, enabling us to approach prospective clients with confidence," says Hartley. "To date, we have several major clients: Zando, Foschini Group, Makro, Game, Builders Warehouse, Standard Bank and SA Florist."

Hartley's advice to entrants and other app developers is simple: "Focus on something that you truly believe in. Equally important, look for a sustainable business model – a problem that continues to be a problem is one that continues to be paid for."

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