

# Microsoft announces new initiatives to support 10,000 African startups

Microsoft has announced new initiatives to accelerate the growth of 10,000 African startups and fast-track investment in Africa's startup ecosystem over the next five years. The company's recently launched global Founders Hub will now be available to African startups through the Africa Transformation Office (ATO). The Founders Hub is a self-service hub that provides startups with a wide range of resources, including access to mentors, skilling content, tools like Microsoft Azure and GitHub, and go-to-market and business support.



Microsoft is also creating new partnerships with accelerators and incubators across Africa, including Grindstone, Greenhouse, FlapMax and Seedstars to provide industry-based startups with access to markets, technical skills and funding opportunities.

These partnerships will provide Africa startups with access to skilling programmes, access to markets, including opportunities to co-sell with Microsoft, and access to technology, with support from Microsoft's engineering and product teams for co-innovation opportunities.

To enable startups to rapidly scale using investment funding, Microsoft is establishing industry alliances and partnerships with venture capital investors that will facilitate access to \$500m in potential funding for African startups.

This funding will come from a network of venture capital investors, who will dedicate a portion of their financial support to startups in the Microsoft network.

Microsoft has already established partnerships with several key venture capital investors, including Banque Misr, Global Venture Capital and Get Funded Africa, and the intention is to grow this network of venture capital investors in the next five years to increase funding and enable them to scale up and drive economic growth.

## **Africa's startup market is booming**

Microsoft believes the vibrant African startup market is well placed to become a cornerstone of the continent's digital economy, supporting local innovation through relevant solutions to societal challenges.

"Investments into Africa's startup ecosystem are growing at an exciting pace. According to the Organisation for Economic Co-operation and Development (OECD), there are more than 640 active tech hubs across Africa, accelerating innovation and creating employment, particularly among the youth," says Wael Elkabbany, managing director, Microsoft Africa Transformation Office.

"However," Elkabbany points out, "currently the African startup market represents less than 1% of total investments worldwide. This needs to change."

He reveals that Microsoft's endeavour to dramatically scale its impact will be driven by an overarching strategy with three key focus areas.

## **The Founders Hub**

The Founders Hub includes opportunities for startups to sell to Microsoft's corporate and enterprise customers. Microsoft will also support startups in geo-expansion activities, where startups can scale up by selling in new countries or regions.

"The Founders Hub allows Microsoft to engage with accelerators, incubators and tech hubs across the continent. Our partnerships with key African accelerators provide crucial support to accelerate growth-stage startups with their business development and market expansion plans," says Gerald Maithya, Startups Lead, Microsoft Africa Transformation Office.

## **Partnerships with key startups**

Microsoft will partner with B2B-focused startups, scaleups, "soonicones" (businesses with the potential to become unicorns) and unicorns across a range of leading African industries, and those concentrated on working with SMEs.

"We understand that each startup is unique and exists beyond the limitations of a one-size-fits-all partnership model. This is why Microsoft will tailor each partnership to the needs of individual startups, providing support and access – whether to technology, markets and co-sell opportunities, funding or digital skills – to enable them to grow and contribute to the wider economic growth of Africa," says Maithya.