

# Conversation #9

## Toward a Systematic Approach to Building Ventures

Jessica Colaço and Ibanga Umanah  
of Brave Venture Labs



*Jessica Colaço* recently co-founded Brave Venture Labs, East Africa's first venture builder, based in Nairobi, with co-founder Ibanga Umanah. In 2010, she co-founded the iHub with Erik Hersman and served in various leadership positions there—as its Founding Manager between 2010 and 2011, as its Director of Partnerships and Community, and, at iHub Research, as its Research Director between 2011 and 2013. She is passionate about innovation, research, mobile and robotics technology, talent, and entrepreneurship in Kenya. She serves as an African start-up evangelist and advisor to various tech startups,

*using her position in Kenya to encourage local, regional, and international stakeholders to explore, understand, and adopt Kenyan-made and African-made solutions.*

*Ibanga Umanah partners with leaders to grow new businesses. He recently co-founded Brave Venture Labs to build new ventures from Africa. Earlier, he worked with Jump Associates (in California) to create growth strategies for Fortune 100 companies. He designed new health services for country ministries, launched technology products for logistics companies, and prototyped service innovations for retailers. In addition to Brave, Ibanga develops growth strategies for small businesses, lectures at design and leadership programs, and teaches skiing to anyone willing to fall in love with snow.*

**Jessica, why did you decide to start Brave Venture Labs after your six years at iHub?**

JESSICA: It is difficult to summarize six years of work at the iHub in a nutshell. But during this period, I came to understand the power of networks and the serendipity effect, meaning the effect of bringing people together and watching the unexpected happen—through collaboration and learning. Every single day, I would get an email with a question that usually went like this: “I have an idea! How can I flesh it out and how can I turn this into a viable tech business?”

Two things to note. First, I am passionate about problem solving. So yes, I am the right person to address with those sorts of questions. And second, it is about talent, nurturing young talent, and unleashing their potential. The iHub provided me with a sandbox where I could experiment with talent and problems in order to solve the problems and mentor young entrepreneurs.

But eventually, six years later, it was time to move on and become more risk-taking. The new challenge that I am tackling now with Ibanga at Brave Venture Labs is matching talent with opportunities to build truly scalable and successful businesses, not just in tech but across multiple sectors—wherever we identify opportunities that are ripe for a business solution.

During my time at the iHub, I came across a lot of talented entrepreneurs and developers as well as striking business opportunities. How do I connect the dots? This thought became the genesis of a longer discovery process, as I like to call it, in which I realized that I am a builder and connector—someone who likes to start and create organizations and build teams in order to make it all grow and last.

A good colleague and friend of mine connected me to Ibanga. While I was in San Francisco, we actually met there and discovered that our interests and values aligned. We both have a deeper interest and motivation in creating scalable businesses and unleashing the potential of people to do the unimaginable!

**Ibanga, what is the motivation behind Brave Venture Labs? How did the idea emerge?**

IBANGA: In 1995, I lived with my father in Nigeria's Delta. Fights over oil had reached the highest levels and former President Abacha's cruel response left a sharp impression. As an American up until then, I saw money from my country of birth funding a government hell-bent on tearing down the lives of those close to me. I left Nigeria wanting to work on two problems in my life: How can we build organizations that are more beneficial to, and less hurtful for, individuals and society? And how can we position intelligent, ambitious people to lead those organizations?

After experimenting with a few companies of my own, I decided to tackle the first problem, initially with Ed Cohen, building a school for executives in India, and later with Dev Patnaik, creating new ventures for corporates at Jump Associates. Perhaps it is obvious to most folks, but I found corporations filled with people genuinely pursuing what they believe is right. Rare moments of corruption and breaks in ethics were often preceded by a slow erosion of purpose and empathy in leaders. So together with both Ed and Dev, we worked to instill purpose and empathy into leadership decisions and solutions. We developed new methods for understanding and building unique customer insight, for collaborating with peers to make strategic choices, and for continuously generating, prototyping, and learning in the market. Along the way, we found that

continuously grounding ourselves in data all around us—from consumers, teams, and stakeholders—we were able to increase not only impact, but the speed of work. You might call it human-centered problem solving.

Leaders who found a clear purpose, built empathy, and continuously learned, were able to organize their teams to solve what often seemed like impossible challenges. For instance, I recently left a meeting with Ratan Tata [former chairman of the Tata Group of Mumbai] awestruck by his masterful use of purpose, empathy, and learning to solve one challenge after another. Tata's Nano project started as a sketch in his diary of a moped with a shield. Seeing families of four piled together, unprotected from wild traffic in the middle of often harsh Indian weather, was unacceptable. He believed every family should have access to safe transit. Tata took the sketch to his colleagues to experiment on solutions for what would ultimately become the world's most affordable car. His efforts have shocked automotive manufacturing and, more important, improved transportation safety for thousands. The thing is, despite all his success, he spent most of the conversation inquiring about us. I have never met a more humble and curious person. I walked away realizing his practice of humility and curiosity was what actually allowed him to notice his surroundings and continue to learn (at age 77!). Humility and curiosity were the foundation of Tata's personal legacy of success.

Looking back, it seemed nearly all our successes, on seemingly impossible challenges, involved leaders who valued humility and continuously learned. If we were able to apply our skills in problem solving to Africa, perhaps we could accelerate the development of more human-centered problem solvers like Tata—people who seem to do the impossible.

So we founded Brave!

**Jessica, why is there such a strong focus on talent? And how do you ensure you match the right talent with the right opportunity?**

JESSICA: Let me explain this using some of my own experiences. In my mind, I always thought I would be coding and heavily involved in computer science—basically just writing code and building algorithms all my

life in a lab. It was the people around me who discovered my most innate qualities and abilities. For me, the power of networks and having people around me at the right time were critical. During my time at Strathmore University, there were people like Dr. Sevilla and Edwin Nyanducha who realized I was a really good problem solver and that, at the same time, I had this affinity to organize events and bring people together. At that time, I had no clue—because I was very shy! I also did not know that I had skills in business development until Edwin pointed it out to me and threw me into the deep end of the pool with an actual business client.

Similarly with TED. I applied in 2009, and became a TED global fellow. I could not believe it! I had to go on stage in front of hundreds of people and speak about my mobile project—Wireless Map Service. The event, however, pushed me to the next level of thinking more deeply and taking on bigger challenges. Because of that challenging but positive experience, I believe in the art of unleashing the best in people. Over time, I have been able to spot talent, and by now I know by observing and giving people a few tasks what they are good at and where they need a little push to realize their full potential.

At Brave we were doing two things. On the one hand, we were creating an entrepreneurs' "forensic" map, another word for a systematic overview of their talents, individual qualities, and characteristics. By now, we have auditioned hundreds of entrepreneurs and developers and have built up a solid overview of what is out there. As a side note, we do not believe in job interviews, so we work on some challenges together with the entrepreneurs and, in that way, find out where their capabilities are. On the other hand, we identify—through systematic and rigorous research—business opportunities and work with 20 potential candidates in our challenge days on a joint investment thesis. As we progress, people who are not suitable drop out and a core group emerges.

**Ibanga, you want to create leaders with a particular mindset around problem solving. Why is a venture builder the right model for doing so?**

IBANGA: We are committed to advancing leaders who take on and solve big problems. Reflecting on our work investing in and supporting

entrepreneurs, we noticed two challenges getting in the way. One, many ideas are not scalable, usually because the original problem itself is too small. Two, teams rigidly focus on building their idea, as opposed to doing whatever it takes to solve their problem.

What do bigger problems look like? When Elon Musk was deciding what to work on after PayPal, he wrote down a list of five issues that will most affect the future of humanity: the Internet, sustainable energy, space exploration (permanent extension of life beyond earth), artificial intelligence, and reprogramming the human genetic code. Tesla and SolarCity were both founded to take on the significant challenge of sustainable energy. And while he initially focused on better electric vehicles, better batteries and solar installation were clear additions.

One of our favorite Kenyan companies, Sendy, recognized the need for access to formal goods within an informal and continuously evolving infrastructure. Most folks do not receive goods at an address, making e-commerce mostly ineffective. And between an inconsistently distributed retail sector and terrible traffic, it is costly to track down the goods you might want. Today, Sendy offers real-time, point-to-point urban deliveries using smartphones and motorbikes. But it is not inconceivable for them to manage last-mile scheduling and logistics for any kind of inventory. The challenge is enormous.

We can refer back to Tata's humility as an example of putting problems above ideas. I mentioned his original sketch was a shielded bike. It looked a bit like a fancy rickshaw. However, after two months of prototyping and testing, his team found that consumers were much more interested in an affordable car. So they shifted. As long as he was achieving affordable, safe transit, the specific idea was not important.

One might look at our challenge of creating a human-centered, learning mindset around problem solving and say, "Obviously you should pursue education for founders or young teams." But what my time spent doing new business creation and transformation at Jump taught me is that people learn through the work. The evidence continues to grow in

this respect. Sugata Mitra showed that kids can teach themselves hard sciences with a computer in a wall. Leading A.I. developers, neuroscientists, and learning theorists like Ray Kurzweil have argued that people's natural sense of curiosity, creativity, and experimentation drive learning.

So rather than teach people to solve problems in a classroom, we will co-build companies with them. We will build to learn.

A venture builder is an ideal mechanism for learning. Generally speaking, a venture builder is a company that creates companies. In our approach, we continuously evaluate and share quantitative and qualitative market data to clarify problems entrepreneurs might tackle, then partner with a potential chief executive officer (CEO) and co-create an idea. Together, we study the market, prototype with customers, and refine our model until we find a fit and potential for scale. We do provide some starting capital, but our CEOs are expected to raise their own funds. Like most accelerators, we have distilled plenty of business-building methods and convened the best resources in the ecosystem. However, rather than run people through a linear, time-bound, task-oriented program where everyone launches a website at the same time, we create an environment where a team can quickly access a wide variety of resources to accelerate toward a broad objective. We create metrics for achieving product-market fit or traction or positive cash flow and then convene the right mix of support for that company to achieve its goal.

In a way we are an institution of co-founders, multiplying our experience by convening the best of the ecosystem. If we are doing it right, we are increasing the level of start-up performance and generating more sustainable solutions for society.

**Jessica, can you walk us through the ideation process and how this all leads up to actually starting a venture?**

JESSICA: Brave is kind of like a start-up studio, meaning our processes are aligned to fully flesh out and start implementing an idea that addresses a problem. Right now, for example, we are looking at a

specific problem between commercial education and young professionals who cannot afford the education they need. So we came up with a platform idea that matches students with corporates and organizations that will issue a loan and offer future employment once the graduate completes the degree.

The process for this solution looked like this. First, Ibanga and I identify sectors with ripe opportunities. We looked particularly at the middle to upper class in Nairobi. Through industry-sector reports from PricewaterhouseCoopers and Deloitte, we narrowed the focus to particular sectors. In fact, with Brave, we are looking at five sectors at the moment—health, finance, agriculture, tourism, and education. Now we dig even deeper into each sector, conducting market and customer research to understand the dynamics. This process is completely self-funded. In health, for example, we want to focus on preventive health care, in finance on peer-to-peer lending, in agriculture on food trading and food wastage, in tourism on domestic tourism, and, as I mentioned, in education on the commercial side of higher education.

After that we conduct a challenge day with 20 individuals—entrepreneurs and developers—who understand the sector, and we note down all assumptions each business idea has. We formulated a research poster (6 by 4 feet) with all this information and walked each individual through our process to get the thinking started. Picture it as a collective brainstorming session in which we test business ideas in order to come up with a clear overview on the problem, the opportunity, and the “right” business idea.

The next step is a written opportunity abstract, forming an investment thesis that we use as a basis to source the right talent—these are co-founders with whom we create the business to get the implementation started. Once all the founders are on board, Brave will co-build the business with the co-founders and get to work.

**Ibanga, what are some of the tools you use to affect this mindset change and why, in your opinion, are those in particular of value?**

IBANGA: We continuously pull principles and practices from as many disciplines as possible, as opposed to following one idea to the letter. And often, several disciplines form a unique approach to achieving the same end.

For example, think of all the different ways we talk about “keeping an open mind” so we can learn:

- Neuroplasticity
- Beginner’s mind
- Growth mindset
- Rapid prototyping
- Vertical learning
- Creative intuition
- Mindfulness
- Mental flexibility

Neuroplasticity proposes that the human brain continues to change over the course of its life. As we age, experience new things, and challenge ourselves, we continue to learn. In other words, you are never done learning.

Beginner’s mind, a concept from Zen Buddhist philosophy, asks that we continue to see the world around us from the point of view of a child. If we look at people or experiences as if we were a beginner, we might notice new nuances and continue to learn.

Carol Dweck teaches folks to look at themselves and their teams as having the potential to learn with practice rather than seeing people as “born talented” or not. Folks with a growth mindset see failure as an opportunity to learn and get better. So we can continue to challenge ourselves and each other to learn something new from any experience.

Rapid prototyping, as applied to solutions beyond 3D models, approaches product design like a science experiment. We make observations and generate predictions about what might work—otherwise known as having ideas! Then we develop tests to see what works and what does not and improve our ideas. By quickly and cheaply gathering data to iterate, we increase our chance of market performance before running out of money. We learn from and improve with every attempt. Said another way, we actively learn from failure.

Information and techniques from every one of these areas will be useful as we go about the work of developing new business ideas. We will use the same multidisciplinary mash-up for how to best research customers, work in teams, optimize systems, and so on.

**Jessica and Ibanga, is the venture builder addressing a niche in Kenya in particular or do you see this approach as being useful globally?**

IBANGA: Continuous learning and the hybridization of disciplines to solve problems are useful globally. My friends in San Francisco continue to combine the best of social science and data science to construct better ways of working, the best engineering and design to create better experiences, and the latest business strategies and psychology to build businesses models around new behaviors. And although I practiced it there, it is almost certainly happening in every creative economy around the world.

For example, in 1978, Nicholas Negroponte and colleagues at MIT received government funding to create digital tools to familiarize soldiers with remote locations. Building off of some work by early filmmakers, the Aspen Movie Map team built a camera array on a car, drove the streets of Boston, and using the then-new technology of laserdiscs (which could associate a location tag with a specific point on the disc), created a virtual, searchable map of the city. Building on the idea more than 25 years, later Larry Page used the technology to create Google Street view. Basic legal practices and publishing had effectively allowed filmmakers, government, academics, and start-ups to collaborate on creating one of the most widely used products today.

The opportunity for Kenya, and I imagine for most countries, is the ongoing practice of making it easier and culturally “okay” for this kind of collaboration to take place and be fruitful.

JESSICA: Our idea is not to stay in Nairobi. We see our longer-term task as connecting the dots on a pan-African scale. Once the first two companies are up and running, we will move to other cities across the continent, directed by market dynamics and our network’s strength. Right now, the destination for our next set of companies would be Ghana, Nigeria, or South Africa.

**Ibanga, what are the crucial ingredients needed to build a venture that can advance society?**

IBANGA: There are two parts of a new venture to consider, broadly speaking. First, solve a problem for people with an innovative model, experience, and/or technology. How innovative you need to be really depends on the problem. Second, organize people in an institution to execute. Every business is a structure for a group of people to work together.

You might think of our role in the second part as similar to how US insurance companies manage care networks. Using a combination of real-time data and frequent contact with members, they evaluate performance and negotiate rates with the best mix of services required to quickly address a particular disease. When successful, in addition to reducing prices for patients, they can streamline a care pathway and boost the overall quality of treatment.

At Brave, we work to evaluate and convene new-business ecosystems, including lawyers, accountants, and subject-matter experts, to stand up, operate, and grow companies—faster, smarter, and at lower costs.

Creative problem solving is also systematic in a sense but should be seen more as a continuous-learning model than as a linear flow of activities. On some level, the analogy for us here is the scientific method. We attempt to understand the world, create hypotheses, conduct experiments,

allow our views to evolve based on new information, and continuously update our solutions.

If we stop there, we just get the ventures. So, to the second part: if you want any human system, including entrepreneurship, to advance you need two more things. First, many people experimenting with their own approaches in a variety of settings. And two, previous discoveries documented and shared so the next generation can critique and advance that work.

The truth is, there is no shortage of intelligent, exploratory entrepreneurs in Kenya. The challenge is recording and exposing what they have learned so that how we work can be improved. The faster we can make the learning cycle, the better we can become.

As a normal practice of creating ventures, Brave is deeply involved in both listening to and learning from respected entrepreneurs as well as encouraging experimentation and improvement in every new generation of builders.

**Thank you, Jessica and Ibanga!**



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