

Investor pitch document for Cape Town ICT sector

An investor pitch document, entitled 'Digital gateway to Africa', on Cape Town's creative software design and development sector has been conceptualised and driven by Wesgro, in collaboration PwC, and funded by the City of Cape Town.

It is the first cohesive look at this business segment and contains information on the key start-up companies and their investors and details what deals have already been implemented. The publication is intended to be used as a catalogue by developers, buyers and investors.

Wesgro CEO, Nils Flaatten, said the need for the international investor pitch book arose because the Destination Marketing, Investment and Trade Promotion Agency wanted to tell international business players about the successes achieved by software design and development businesses located in the Mother City.

"We needed to be able to draw on one source of information and highlight the work being done by our innovative companies by citing case studies to show that this sector is alive with diversity and growth," Flaatten said. "The document reveals the value that lies in Cape Town for people who are interested in investing in innovation and technology; those from abroad who can leverage the rand/dollar exchange rate to their advantage."

Support from City of Cape Town

Cape Town Mayor Patricia de Lille, in a foreword to the document, said partnerships such as the one, which produced the investor pitch document, were essential to achieve the goal of building "an opportunity city, a safe city, a caring city, an inclusive city and a well-run city."

Councillor Gareth Bloor added that the City of Cape Town municipality was currently providing infrastructure that will affect the competitiveness of the city region in general and the ICT sector in particular. "Infrastructure in the form of a fibre optic network is being rolled out that will impact significantly on job creation and investment attraction, not just in the ICT sector but also in all sectors of the economy in addition to providing access to technology for all Cape Town residents."

The 88-page publication highlights the attractiveness of Cape Town as an investment destination and a breeding ground of technology innovation. It also takes a backward look at some of the success stories achieved by companies based in the city, including global players such as Amazon, which developed its cloud computing software from its offices beneath Table Mountain.

Modern solutions in Cape Town

Since 2006, more than R1.5-billion has been invested into Cape Town's software and IT services sector but Flaatten

believes the area is a value-for-money buying centre, with modern solutions for the developing and the developed world. Key source markets include the US, the UK, Netherlands, France and India.

Tertius van Dijk, PwC deals director, said the company had worked with some incredible entrepreneurs and visionary individuals who drive Cape Town's technology ecosystem. "The research shows investors there is an eco-system that exists around these companies to assist them." These include the Cape IT Initiative, which presented an overview of its 2013 Western Cape IT Sector Intelligence Skills and Sector Growth Survey at the launch, which focuses its work with IT entrepreneurs in the city.

Panel addresses issues

A panel discussion, chaired by Vuyisa Qabaka, saw Clickatell CEO, Pieter de Villiers; FNB head of innovation, Paul Steenkamp; Woolworths CIO, Danny Naidoo; UCT Graduate School of Business' Prof Kosheek Sewchurran; Business Systems Group CEO, Greg Reis; and MXit reach head, Marlon Parker discuss the topic "How do we realise the innovative potential of Cape Town's technology ecosystem?"

Flaatten raised the issue that corporate South Africa, "Doesn't view technology and innovation as a profit driver; they see it as a cost. This means that the opportunities available to our local companies are sold internationally, often at a discount. There is cutting edge stuff happening in Cape Town and businesses need to make sure they are not caught unawares."

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