

Franc believes investing is for everyone



By [Evan-Lee Courie](#)

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If you think that investing is only for the rich, you're absolutely wrong.

Franc was born in 2018 when an engineer, an actuary, an investment guru and a tech whizz shared a common idea of making investing affordable, accessible and social.

We chat to Dr Thomas Brennan, CEO and co-founder of Franc, to find out more about the award-winning app that makes investing simple...



Dr Thomas Brennan, CEO and co-founder of Franc

Can you tell us a bit about Franc?

Franc is a goal-based investment app making smart investing easy for first-time investors. Our vision is to democratise investing and help all South Africans to achieve financial wellness.

■ ***When, how and why did you get started?***

The idea was born in 2018. After working in Discovery's R&D lab and being exposed to a broad spectrum of financial services, I couldn't understand why only 5% of the country was investing, despite being top in the world for the search term 'how to invest'. Sebastian Patel (COO and co-Founder of Franc) and I got talking and we realised this was likely because of financial barriers, product complexity and limited access. We saw an opportunity to create a simple investment app giving access to leading cash and equity funds without minimums or limitations.

■ ***What is the core function of Franc?***

Helping **all** South Africans invest.

■ ***What are some of the obstacles you have had to overcome since starting out?***

Regulatory - after 18 months we finally received our robo-advisor license from the FSCA.

Capital - two of our early investors withdrew because of restricted liquidity due to macroeconomic factors.

▣ ***What advice would you give to other aspiring entrepreneurs?***

Firstly, I'd suggest deeply understanding your customer - understand who is using your product and why, and if not, why not. Secondly, I'd advise building a team of complementary talent.



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▣ ***What has been your proudest achievement thus far?***

Getting compliments from customers on how easy our app is to use. Winning best SA solution at MTN App Awards (2019), Voted best Financial App by *Stuff Magazine* (2020) and Best South African startup at Seedstars (2018) were also exciting moments for us.

▣ ***What does the future of entrepreneurship look like to you?***

Generally positive. I think startups are being demystified and being seen more and more as a learning opportunity, instead of the failure (if the venture doesn't work out). Undoubtedly we need more entrepreneurs in the country and globally. There are still many challenges that need a solution.

▣ ***What do you think is the importance of start-up accelerator/incubator programmes?***

I'm torn. On the one hand, there can be a lot of value that accelerators and incubators can offer to entrepreneurs, especially if they are young and inexperienced. However, on the other hand, they can also be predatory in taking significant equity chunks with little value/capital injection.

▣ ***What would you like to see changed in the South African startup landscape?***

More regulatory and governmental support. I've had conversations with government bodies where I'm told, "We don't like tech because it doesn't create jobs". That's hard to swallow, especially when you think that the tech solution might be solving major social problems in education, health, agriculture and financial inclusion.

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According to @businessinsider, South Africans will save so much money through #stokvels this year that they could buy Woolworths in cash. If you are thinking of investing in a Stokvel, download the Franc app and take advantage of our better investment choices and products!

A post shared by Franc (@francgroup) on Jan 29, 2020 at 12:42am PST



❏ **What do you believe are the traits an entrepreneur needs in order to succeed?**

Grit. Audacity. Courage. If you're a good salesman that also helps!

❏ **Tell us about your biggest struggles as a startup, as well as some major highlights.**

Capital - everyone says cash is plentiful, however, our experience hasn't been the same. Despite launching a MVP, getting our product market fit and early traction - our business either wasn't attractive enough to traditional VCs (taking a small amount of money from a lot of people doesn't generate the short term returns most VCs are looking for) or outside of impact investing mandates (we've been told point-blank that poor people shouldn't be investing).

Our highlight is when our customers are coming on board and showing us that they both want and need this offering. Seeing their excitement to become investors and showing their commitment to it continues to motivate us.

❏ **Why would you encourage someone to become an entrepreneur?**

You are a master of your own destiny to a large extent!

❏ **Where would you like to see Franc in the next five years?**

Helping millions of South Africans break the cycle of debt and dependency, and helping them realise their financial dreams. Build Franc into a trusted and household brand recognised for our relevance, honesty, transparency and integrity.

ABOUT EVAN-LEE COURIE

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