Entrepreneurship Program for Innovation in the Caribbean

EPIC Mobile Innovation Component

Focus Group Meetings – Summary

March 28, 2012

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Context

The EPIC Mobile Innovation Component Focus Group Meetings were held with groups of interested parties in Jamaica, Trinidad, Barbados and Grenada, between February 6 to 16, 2012.

The aim of the meetings was:

1. To bring together the role players and beneficiaries of a potential project implementation
2. To discuss and gain first-hand experience and knowledge of the market environment and the issues relevant to setting up and operating an initiative in the Caribbean, including
   a. General market environment with a focus on the role of governments, universities and the private sector.
   b. Understanding the mobile innovation eco-system, the mobile developer communities and initiatives, local and regional.
   c. Funding and financing environment.
   d. Innovator and startup support structures including staffing, training, mentors and the role of diaspora.
   e. Understanding regional co-operation.

This summary is a compilation of the comments and discussions from all four regions visited and do not necessarily reflect the situation for a specific country, nor does it necessarily reflect the views of the compilers, the World Bank and/or infoDev.

Market environment

The role of Government: The consensus is that Governments have a role to play. What exactly this role is differs from country to country. In general the role of Government should be seen as a facilitator and co-ordinator of the operations which should be managed by the mobile/private community. Some Governments have extensive incubation programmes and have facilities which may be useful for incorporation in the mobile innovation project.

Government focus is typically on supplying infrastructure and encouraging business process outsourcing but very little innovation support is forthcoming. To foster innovation a number of archaic laws and policies need to be reviewed. Issues regarding data storage, data dissemination, availability of data sets, availability of broadband, taxes for start-ups, shortage of FDI and mobile payment gateways were raised.

The Governments in the region are typically quite stable but a lot of fluidity exists. Governments should be kept updated on developments.

The appropriate enterprise development, ICT/Mobile departments within Governments differs from one country to the next.

Universities: The general consensus is that the University of the West Indies (UWI), due to its regional presence (3 on-island campuses and 14 centres on non-campus islands), is an important role player which can facilitate

activities and therefore should be incorporated in any regional programme of this nature. The business schools at these universities are of particular interest. Universities and programmes that received specific mention include UTT, UTech, The Mona School of Business, Arthur Lok Jack School of Business and Cave Hill School of Business. Some links exist with other universities including those in the USA. A pre-requisite would be that they are nimble and responsive.

Realignment of some universities' curricula may be required to support mobile application development in the region.

Private sector: Although not always very active in such endeavors, there is interest from various institutions in supporting a mobile innovation initiative. A few large companies have a positive approach and have supported the community in the past. Organisations which have made a positive impact include: RIM, Digicel and Scotia Bank.

MOBILE INNOVATION ECOSYSTEM

Important building blocks of the mobile innovation ecosystem are present in the islands, but regionally fragmented. The communities are in different stages of development and maturity but there is no lack of local talent. The community in Jamaica is the most active with a number of activities on an on-going basis. The communities in Trinidad and Barbados are also functional.

The culture and eco-systems exist to support potential new business ideas, in some cases more so than others. Although peer to peer learning is done, it is also important to ensure that global best practices are transferred to the development communities.

All the local developer and startup communities raised an interest in taking part of a regional activity.

FUNDING AND FINANCING ENVIRONMENT

Funding: Seed funding for entrepreneurs is essential and very few opportunities exist to support start-ups. There is a distinct lack of seed and venture capital available. The population is in general very risk averse and this is reflected in the banking and venture capital markets. Credit Unions are more likely to support entrepreneurs in their client base, but this support is also limited. There is a distinct lack of understanding of what it takes to build a community of entrepreneurs.

Financial feasibility: Young start-ups and the mobile community in general are prepared to pay for services on condition that the cost is commensurate with the value proposition. The entrepreneurial community is also prepared to enter into royalty and/or equity deals to develop their businesses.

SUPPORT STRUCTURES

Training: An extensive divide exists with regards to training. Training is required in the areas of technical skills, business management and project management. Co-creation spaces can add substantial value. In order for mobile applications to be successful in the region it will also be important to put appropriate benchmarking and evaluation systems in place. Training of trainers is also required.

Mentors: Although issues with regard to the protection of IP were raised, the general feeling is that the mobile community is prepared to mentor young start-ups and new business ideas.

Within the formal incubation environment it has been relatively easy to access mentors and coaches for clients. However, these mentors typically lack industry specific knowledge limiting the value of the mentoring.

Diaspora: The diaspora support system of some countries is more developed than others, but the general feeling is that this support can be significantly enhanced by having formal structures with whom the diaspora can interact. The diaspora are interested in investing in their respective countries even though they may not be physically on-island. They play an important role in some countries and contribute towards JVs, mentor pools and investment activities. Strong links to U.K, U.S. (NYC, Miami), and Canada.

REGIONAL CO-OPERATION

Although the different countries are categorised under one Caribbean umbrella there is a very strong loyalty towards the country in which the individual and/or community resides. The general feeling is that a regional initiative would not run successfully if led by the individual governments but should run by the local organising committees or structures.

There are a number of regional activities which are already gaining momentum, including Caribbean Beta, Slash Roots, Compete Caribbean, Caribbean Export and Bright Path which are of particular interest for the development of a regional initiative. It is felt that a virtual initiative would work well.

Other countries mentioned which could contribute significantly to the development of a mobile community include Brazil, Cuba, St Kitts, Guyana and the Dominican Republic.