



Sustainability | Leadership | Innovation



## 2017 HIGHLY COMMENDED INVESTING AND FINANCING

### LESSONS IN DRIVING BUSINESS SUSTAINABILITY

#### ECONET WIRELESS AND ECOCASH MOBILE MONEY

Econet Wireless is Zimbabwe's largest provider of telecommunications services, officially launched in 1998 with a primary focus on mobile network operations. The company's business model has, in the past few years, evolved to become a fully integrated 'TMT' (Telecommunications, Media and Technology) business driven by an innovative and pioneering spirit. This business model is hinged on different technologies and converging platforms, providing choice, value, access and convenience to its customers.

In 2011, Econet launched EcoCash, the mobile money solution which formed the backbone of the company's financial technology strategic arm – the Cassava FinTech. EcoCash has touched and positively transformed people's lives, especially previously financially excluded and marginalised communities, thus raising financial inclusion to high levels. In the Econet Group, this mobile money concept was conceived and tested in Econet's Burundi operation where there was an urgent need for a system to help NGOs make cash transfers to refugees after the Burundi war. In Zimbabwe, it has now grown to become a national payments solution.

'When we launched EcoCash, the strategic intent was to address a social challenge,' said Nepias Matsuro, the company's Chief Finance Officer. The Zimbabwean economy was coming out of years of hyperinflation which saw the demise of the financial services sector and widespread loss of investment by the public. The country went through a series of harsh macro-economic and social patches characterised by high unemployment, imbalances in income distribution, low financial inclusion and acute liquidity challenges. 'But EcoCash was born, at the right time, to close a gap that we could see,' said Matsuro. 'Yes there was a profit motive, but that was part of a balanced proposition together with an aim of strategically touching and positively transforming the lives of our people.' There was a need for a reliable, cost effective, convenient and secure mobile financial services solution to drive cashless or digital payments in such an environment.

Within 18 months of its launch, more than 2m customers (31% of Zimbabwe's adult population then) had registered with the service. To date, more than 80% of Zimbabwe's adult population is registered on the mobile money platform. This exponential growth in record time, together with the unique service offering, resulted in EcoCash receiving various awards at various international platforms.

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'Finance was the catalyst in the whole process,' he said. 'The finance team stood at the forefront and put all the value chain departments and elements of the entire ecosystem together to build a model which was agile, scalable, that would survive the test of time even if it went through a patch of evolution.' The team led in designing and producing timely financial reports, engaging investors and analysing performance.



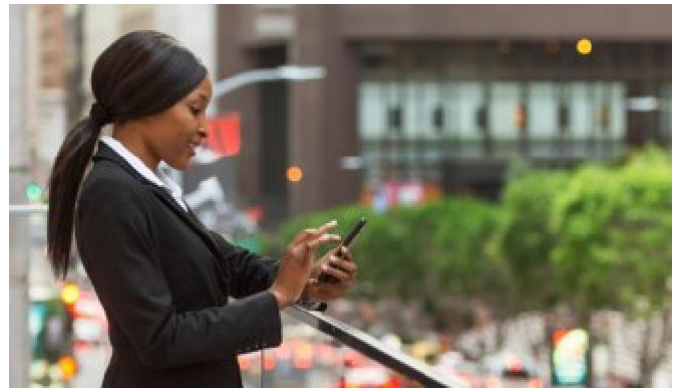
EcoCash customers are cashing out money at an EcoCash agent

**‘ To date, more than 80% of Zimbabwe’s adult population is registered on the mobile money platform. ’**

In a country where cash is scarce, where women, the poor and rural communities traditionally had little access to basic financial services, it has been transformational. The ability to transact cashless payments securely alone brings enormous change. ‘From a social perspective,’ said Matsuro, ‘We have seen more than 1.5m ordinary customers having access to bank accounts that are linked to the EcoCash wallet,’ he remarked. Financial inclusion in Zimbabwe has increased from 38% in 2011 to more than 70% now. EcoCash’s annual transaction values are more than 50% of the country’s Gross Domestic Product (GDP). ‘In terms of employment creation, we have more than 30,000 agents nationwide who are actually employed as a result of EcoCash,’ said Matsuro, ‘And downstream there is a ripple effect because they also employ other people. In short, we have employed more than 100,000 people since the launch of EcoCash and that is a milestone in our achievements.’

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The simplicity, integrity and appeal of the basic payments system is seen as the way to scale the system up and take it to new markets. ‘The next level,’ said Matsuro, ‘Is for us to take this successful story across Africa.’ The Cassava FinTech business segment has already taken up this challenge as it drives the Pan-African digital payments agenda where our operations such as Burundi, Lesotho, and South Africa have already deployed the EcoCash business model. ‘The future is actually bright,’ said Matsuro. ‘There is a lot of opportunity, not just for profit, but more importantly for positive social transformation and financial inclusion.’



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### **What the judges said**

The EcoCash business has driven considerable social inclusion in Zimbabwe, while maintaining a commercially profitable business providing mobile fund transfers. This is not a new idea, but the judges were impressed by its execution and tailoring to local needs, as well as the speed at which they have made a huge difference in their market.



Nepias Matsuro, Chief Finance Officer, Econet Wireless