Pandemic-founded tech startups receive R2.5m from AlphaCode

SA's finest tech startups which were founded during the pandemic went head to head at a virtual demo day yesterday where they had just 10 minutes each to convince a panel of judges that they should remain part of the next phase of the AlphaCode Incubate programme.

From left to right: Zanele Matome, Welo CEO; Catherina-Jane Paulse, BriefCo CEO; Kelly Hoffman, CEO Vocalysed; Tom David, CEO Abela | image supplied

Five of the eight startups which just completed a three-month programme were selected to receive R500,000 grant funding each, an additional six months of mentorship and expert execution support.

Says Amina Patterson, head of operations at AlphaCode, "What was remarkable about this cohort is that there are seven female founders across the eight startups, several of which have run successful businesses prior to these startups which we know makes for more successful entrepreneurs. Women are grossly underrepresented in the startup ecosystem globally. Representation matters and by having a diverse AlphaCode team and selection panel, we have an inclusive and diverse cohort. Female founders are eager to engage and contribute to the startup sector and it helps when they are given the platforms to truly be heard, acknowledged and appreciated.

"Another point to highlight is that every year the businesses focus on getting to know their customers, solving their customer problems and getting traction, but this cohort blew the lights out. I believe the pandemic forced the founders to work extra hard getting to know their customers and they had to be incredibly resourceful, resilient and creative how they validated their products with customers."

In addition, these startups will be able to apply for seed capital from AlphaCode's fund that invests in early-stage startups.

The five promising businesses selected

- Fintech Abela - a mobile payments platform that allows the underserved to make and receive payments. Tom David and Amery Winter are co-founders.
- Legaltech BriefCo - a legal cost consultancy leveraging technology to digitise and automate the preparation of bill of costs and oppositions. Catherine-Jane Paulse, Yusha Davidson, Carlton Ngwenya and Dhanyal Davidson are co-founders.

- Fintech Sizanani - a stokvel management platform providing the first Whatsapp stokvel solution. Founders are Makabongwe Gambushe, Sinqobile Mashalaba and Thandolwethu Hlongwane.
- Datatech Vocalysd - transforming conversations into actionable insights by leveraging AI for call monitoring, analysis and reporting. Kelly Hoffman is the founder.
- Healthtech Welo - on-site healthcare services, home medicine delivery and pathology services for individuals and corporates. Founded by Zanele Matome.

Dominique Collett, head of AlphaCode and a Rand Merchant Investments Holdings (RMI) executive commented, "We are in the seventh year of this programme and it was clear this year how the standard has raised. At Demo Day we were so blown away by the talent of the entrepreneurs that RMI awarded additional budget for a fifth business to move forward to the next phase. Our initial intention was four. We will also offer mentorship to the three businesses that didn't make it to the next round because they are so promising."

Almost 170 tech businesses initially applied for AlphaCode's Incubate programme which aims to grow innovative tech-enabled startups and find the next OUTsurance or Discovery. Only eight were selected to participate in the initial three-month programme that provided funding, guidance from performance coaches and a panel of advisory experts, access to AlphaCode's co-working space, and opportunities to apply for further early-stage investment.

The panel of judges included Collett and Abu Cassim from AlphaCode as well as Per Lagerstrom, CEO and co-founder of Mavens and YellowSpot, an entrepreneur and angel investor Raj Wanniappa, founder and MD of Agile Venture Holdings. All have previously invested in startups.

The AlphaCode Incubate programme has disbursed R36.7m in funding to 50 tech-enabled startups over the past seven years. It is viewed as South Africa's most prestigious fintech startup initiative.

AlphaCode Incubate awards entrepreneurial packages to South Africa's most promising financial services startups through AlphaCode with the support of Rand Merchant Investments.