



# INTERVIEW WITH MARK MWANGI

## CEO OF AMITRUCK

Interview by Hubert Nomamiukor



Hello Mark, and thank you for taking the time out to participate in this Q&A interview session. We would like to use this interview to explore your entrepreneurial journey as CEO of Amitruck. Without further ado, let's proceed to the interview.

**Q: A lot of entrepreneurs struggle to get their business off the ground. Statistics show, they are more likely to fail than succeed. I experienced this with my first startup and I put my failure down to a poor and unsustainable business model. As a learning exercise we want to know Amitruck's origin story. The key stages we are interested in are idea generation, idea validation, initial funding or bootstrapping, product development, product launch, marketing and most importantly, value creations?**

**A:** We were no different from any other startup. The team had to work really hard to get our startup off the ground. The idea came from talking to family members in the cement business and finding out about the inefficiency in trucking. The complaints around middlemen and how they would frequently misinform truck owners, customers and often didn't pay or help if something went wrong. For example if the load was damaged or stolen. So I spent a few months touring the "trucking" areas in and around Nairobi, talking with truckers, customers and trying to understand what was really going wrong. Shortly after that we started to build our MVP and in Feb 2019 we put the first product out. We were bootstrapped for well over a year to start with. I think the key value addition was bringing trust and transparency to the transportation of goods and the way in which those transactions happen. We could see that the level of trust had really been eroded, primarily we concluded this was due to the untrustworthy middlemen connecting transporters and cargo owners. Later on we came to understand just how big this issue was. Frequently we find that up to 70% of the cost of goods sold in Africa is the cost of logistics and specifically transport, which is primarily by road in Africa. The value creation here became connecting transporters and cargo owners in a transparent, secure and efficient manner.

**Q: How would you describe Amitruck's operating business model and is there a fine balance between economic, social and sustainable value created for customers?**

**A:** Our business model like any other market place is a fee taken on every transaction completed on the platform. I actually think it is not even a fine balance but a direct correlation between enabling social economic development and having an impact. Frequently, I see impact defined very narrowly as providing clean water, books or even mosquito nets. I take a completely different view and I think enabling or empowering normal Africans to participate and develop economically has a massive social impact. When you enable supply chains, allow a driver and truck owner to deliver a cargo owner's load, the income generated can then be allocated to the most optimal needs, be it healthcare, shelter or food for example. Creating economic development and employment has to be the biggest way to drive social impact in Africa in my view.

**Q: What key business challenges have Amitruck faced or are still facing, since the company started? How have you navigated this?**

**A:** We face all the same challenges other startups do. In our case getting customers on the demand and supply side of Amitruck. Additionally, identifying, acquiring and allocating the correct resources be it with regards to time, capital or talent.

**Q: How many people do you employ directly and indirectly across Africa, what type of training/mentorship do you offer them and what benefits come with being employed by Amitruck?**

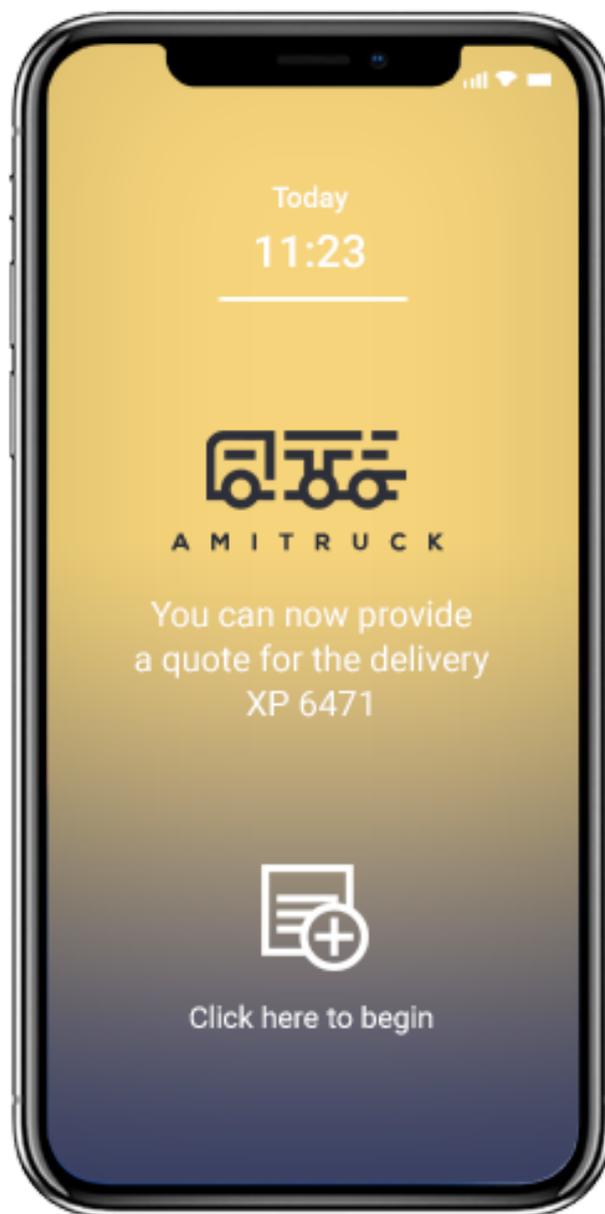
**A:** We have made deliveries for a few hundred business customers and now have over 5000 vehicles registered on Amitruck.

Transport is unique because many of our customers have hundred of customers from very diverse walks of life and in many sectors. For our customers, Amitruck offers a very flexible and secure way to get deliveries done whilst utilising the existing fleet of vehicles which for the truck owners and drivers enables them to connect to clients generally outside their normal networks. This is not only efficient for the customers but environmentally it utilises the existing fleets of vehicles and in that way has a positive environmental and social impact as well.

Honestly, we are more the benefactors of mentorship from our advisors, investors and friends, but I would say employment at Amitruck has the benefits of being in a small tight team trying to solve a large problem.

**Q: You might not want to answer this but I will ask anyway. What is Amitruck currently valued at and how did you come about that evaluation?**

**A:** Luckily for us we did not really get to set a valuation but rather discussed our investor's perception of it. We have taken advantage of the new instruments such as crowd funding for our debt and SAFEs (secure agreements for future equity), so we didn't have to pin a valuation down. We just needed to understand what range it might be in and its implications for our investors and stakeholders in the future.



**Q: As the CEO of Amitruck, you must have envisioned by now, how big you want Amitruck to grow and what parts of Africa you want to expand into. Could you share these plans with us?**

**A:** Like any start up I think we want to grow up to be as large as our problem allows us to be and for Amitruck I think the sky is the limit. We will definitely try and cover as much of Africa as we can.

Africa is a very diverse and dynamic market and often I think we forget a collection of countries, cultures languages and so on. We discuss this internally regularly and I hope to have a clearer answer for you soon.

**Q: Amitruck's peer to peer application technology is very unique but apps are notoriously difficult to patent because it is hard to prove they are novel. Copyrights are even harder to get because most apps are made from open source codes, so they can't be protected by copyright laws. What Intellectual property regimes have you put in place to protect your tangible and intangible assets in Amitruck?**

**A:** I do not think this is possible in the tech space any more. Technology has become a bit like legos where the uniqueness of a product is not in its make up but in how the pieces come together. In reality, I might be wrong but most of the tech products we use everyday are all made from the same off the shelf products that anyone can buy. This is why its so easy and much more cost effective to start a tech business today than it used to be.

I think the uniqueness of products now lays in the culture of the team. Amitruck has been lucky to have such a great team and culture behind it.

**Q: Still on your peer to peer application, have you ever considered licensing your technology out to generate more revenue.**

**A:** I have not really considered that and I am not certain it would necessarily generate more revenue.

**Q: It's been a difficult 12 months for most businesses during the COVID 19 pandemic. What impact has this had on demand for Amitruck's services, and how have you navigated this?**

**A:** I think for logistics the initial supply chain shocks were brutal. Customers could not get their supplies because of port shutdowns and demand shocks across the globe. For us, the additional lockdowns in Kenya, where Nairobi and Mombassa were cordoned off, was also a big issue. We also witnessed long truck queues at the border which had a negative impact on truck availability in the country. The reduction in industrial production saw a drop in return loads and in turn, drove prices up. Meanwhile, cargo owners experiencing lower demand and disruptions in supply, looked to get lower transport costs. I think being a platform where customers could interact with many transporters gave us the tools to understand and navigate this well. Luckily for us growth soon resumed.

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**Q: What advice do you have for startups and aspiring entrepreneurs, in regards to starting and growing a business in Africa?**

**A:** My advise is to start and never stop learning. Bear in mind, however difficult you think it will be, it will be harder than you imagine. The trick is to take it one problem at a time and never stop moving.

**Q: What advice do you have for investors looking to invest in Kenya and Africa as a whole?**

**A:** I think the one thing I have learnt from my interaction with our Investors is the importance of staying close to your founders. I think the problems in Africa whilst the same as elsewhere can be nuanced and unique. A clear understanding of this can help with success. I am not sure the western way of handing the capital over and keeping more of an arms length would not result in a lot of surprises. For venture capitals at least, surprises probably won't always sit well.

**Q: We would like to thank you for the time you have taken out to participate in this Q&A session. Hopefully we will have you back at some point in the future.**

**A:** You are welcome.

