PK Pod 121 - Hover

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SPEAKERS

Ben Lyon, Nick Jamell, Clay Gordon

B **Ben Lyon** 00:00

Trust, just over over index on trust from day one default position with your teammates has to be extraordinary trust. If you don't have that, then you've you've undermined the Keystone. You can't build a distributed asynchronous team without a strong latticework of trust.

N **Nick Jamell** 00:29

Either Medicaid fans, Nick here from the pattycake team, and this is episode 121 Powder Keg igniting startups, the show for entrepreneurs, leaders and innovators building remarkable tech companies in areas outside of Silicon Valley. Today, we're going to be looking at an interview that I had the opportunity of posting at last year's unmet 2019 conference in Denver, Colorado. There, I had the opportunity to speak with Ben line, the founder and CEO of hover an Android API platform that enables developers to integrate with any mobile Service worldwide. And while being hovered founder and CEO Finn is also an entrepreneur in residence for caribou Digital's digital financial services innovation lab or DFS Innovation Lab, where he's responsible for sourcing and supporting innovative financial technology startups throughout South Asia and Sub Saharan Africa, in some cases, even building them from scratch. Prior to joining caribou digital been helped co found capo capo, the first merchant aggregator and merchant cash advance provider in the mobile money industry, which now serves thousands of merchants throughout East Africa. This interview has a lot of great insights to the tech scene in East Africa. And it was

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really interesting to hear how Ben's work is really changing lives and providing opportunity to people in the region there. So let's get started. So, Ben, thank you for joining us today on Powderkeg igniting startups.

Ben Lyon 01:51

Thanks for having me, of course and clay from Star street is here as well to help me facilitate the conversation. But then I really wanted to start off With really how you got into entrepreneurship, because I think everyone gets into that in some way, there's some spark that to be an entrepreneur, you have to be there. You have to be, you know, the right kind of person to be able to put up with that. And so what is it that got you into it? What was that moment or Spark? Yeah. I asked myself that question a lot, actually. So I graduated 2009 with a liberal arts degree, not a great year liberal arts degree and was looking for work originally for the US government and I moved to DC I'd gone to college in Memphis, I moved to Washington DC, and for a whole year was just living with my grandparents looking for work anywhere just applying to everything. zero percent hit rate. And literally after about a year of that, it's just it's I'm going kind of crazy. And so during this time to kind of keep myself sane I've been playing around with done some work in East Africa during college and studied micro finance and economics. I was really interested in kind of financial inclusion as it relates to FinTech and had seen that pretty early on, not from the Genesis, but pretty early on as an industry. And so while I was, you know, looking for work Originally, I was just studying this, and I got so fascinated with it that eventually kind of threw up my hands and said, this, this pet is not working for me. I met two guys on Twitter, don't normally recommend that route for co founders.

03:24

It actually worked really well.

Ben Lyon 03:26

And we founded my first our first business together, Coco Coco, which was a merchant acquiring company in Kenya, I moved to Kenya in November 2010. And one of those guys I met on Twitter that I co founded a company with, became the best man in my wedding. And so it kind of worked out.

Nick Jamell 03:42

That's awesome. That's really cool. And so you said then you're, you know, after the crash,

and all of that you're not finding your job, you start this company, how is it then that from there, you get to where you are now with hover, obviously, you said you went to Kenya, is that where this came from? Then? Yeah,

B Ben Lyon 03:58

yeah. So this is um, now About 10 years and the kind of FinTech across Sub Saharan Africa, that's, that's East Africa, in particular is where I feel kind of the most capable and have the most network. And, yeah, that was five years living in Kenya, and then came back and work for an accelerator where we were investing in FinTech companies in Sub Saharan Africa, and South Asia was actually part of the game network, which is how we met these guys. And what helped me with that was to see you know, we had this really acute pain point in our first company, which was if you were a developer, trying to build on top of the local payment systems in your market in Sub Saharan Africa, it's like pulling teeth and putting back in without anesthetic. It's brutal. And we had a venture backed company, we had a great team. And it would still take us over a year to integrate with a single network in a single country. And this is an in a fragmented continent, 50 plus countries, thousands of banks, hundreds of different telcos, each one of them is using a different server, different platform. Very few less than you can count on one hand have a API's. And so developers in these markets literally can't build for their, the world around them. And that was kind of the grievance that, you know, we experienced in the first company cup of cocoa. I saw it from the investors perspective in DFS lab and saw that this was really a, you know, we've zoomed out to 30,000 feet and just seeing the same thing everywhere. And so hover is a response to that, which is, we see close to telcos as an impediment to the open Internet, we believe the cost of not having this infrastructure is the conclusion of local innovation. And that's not the world that we think should exist. So we've built a technology that kind of short circuits, these fragmented systems and just gives developers an over the top solution for everything that works today.

N Nick Jamell 05:43

Awesome. And so then what uh, what is it then that for? hover, if I guess who who is your market like that you're working with? Is it the developers then or is it you know, the innovators What? What does that model look like for you?

B Ben Lyon 06:00

Yeah, so we sell to two segments, startups and enterprises. We're always targeting the developer as our customer. And so all of our content marketing, all of our targeting all of the communities we're plugging into is about really helping that developer and getting

becoming a trusted partner to them. So our enterprise strategy isn't go to the CEO and come down, it's really incept, up kind of like Salesforce. And we, we've had our first just an example of that we had an engineer, find us at the largest telco in Kenya, and then start using us. And now that's being incepted into the into the whole organization. And so we're always focused on just the developer has a problem. This is a really hard painkiller problem. They can't there's not a substitute for us. And to build what we built takes two years of just brute force device compatibility. So they can't do this without that two year desert, we call it so once they see that we're the option, there's no substitute.

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Nick Jamell 06:55

Awesome. And so then I would think that managing this team, when you're In Kenya, and here in the United States, what does managing this team look like? What does your team look like in general?

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Ben Lyon 07:06

Yeah, we are a distributed asynchronous team. And that has a lot of meaning and import and requires the founders and the CEO to really focus. So I'm the CEO of this company, my main job is to make sure that we are functioning as a distributed asynchronous team. And that requires that we decentralize decision making to the greatest extent we can. So I have teammates in Nairobi, who have tremendous autonomy to make decisions, because they know kind of the broad parameters they you know, to, to make that happen. We have to be really clear about what are our targets? What's the profile of our customer? How are we going to sell to them? What do we do and what don't we do? What do we value and what are we aiming for? And I find that that's worked really well for us because we did it from the very beginning. You see great examples like eight peers now at 50 million plus in annual recurring revenue fully distributed team automatic which runs WordPress i think is fully distributed get lab, Stripes, Stripes, sixth office is remote, you know, it's kind of 2019 this can be done now. And for founder or CEO is just it's all about, you must define the operating principles in advance, you must communicate often, and seek alignment constantly. My whole job is

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Nick Jamell 08:24

just alignment. Hmm. So then what advice would you give the founder when they're looking to move to a more distributed team or maybe have more of a remote culture? How do you I know you've kind of said, how to build that, but you know, having alignment, but what does it look like? When you're hiring those people? How do you set those expectations and make sure that that you can say that you're aligned all you want, but

how does that actually function? How do you actually make that happen?

B **Ben Lyon** 08:52

Yeah, so the proofs in the pudding, you know, so we do I'm about to answer again, how we do it. So you're you're asking, from a teammates perspective, is that right? Or so when you're if I'm a founder looking to, you know, bring on and move into a more distributed team? How do I actually functionally make it happen? I can say that I want to make sure that people are empowered, but how do you really empower them to make the decisions? How do you had to do that trust, just over over index on trust from day one default position with your teammates has to be extraordinary trust. If you don't have that, then you've you've undermined the Keystone. You can't build a distributed asynchronous team without a strong latticework of trust across every node, every node on your team, you know, so we think about ourselves not as, you know, you try to do an org chart for for a team like this, we think of ourselves as a team of teams. And what we have to do is just make sure that everyone, you know, again, they know the operating procedures, they know the high level mission, and then we just kind of step back and say like, I'm going to define Have one board not to how I'm going to define the what these are driven by the board. You have the autonomy, you have credit card from day one with, you know, pretty high spending limit, no matter your role. And your you have decision making power to just go and do and fail. And it's important that we we clarify also, you know, like when, with trust, you have to communicate, hey, attend to 30% error rates, fine, you know, like, and we have to really let them know, you can take risks, you won't be punished for risks. And so it's not just that trust, but also like the psychological safety. I'm not going to be punished for trying to you know, try new things.

N **Nick Jamell** 10:38

Mm hmm. Yeah, that makes a lot of sense. Um, and then, I guess my other question, I guess we'll do you want

C **Clay Gordon** 10:47

Yeah, I have one question. That is truly interesting. Just because you are such a global team, very dispersed. What is hiring look like when you need to hire someone in a different country. You know, the culture of that different country, the regulation that different country What does that look like?

B **Ben Lyon** 11:01

Yeah, there's no standard answer here. Yeah. It was varies wildly, pretty wildly across our markets. You know, we're mostly looking looking at Sub Saharan Africa, for now with South Asia is kind of the next phase. And you've got, you know, hundreds and even a few thousand kind of languages and cultures 50 plus countries highly fragmented. So what we have to do is know who we are, and communicate, you know, who we are as a team and the values that we're going to live by. And that's kind of the constant in that process. And then we're trying to recruit mostly through referral and in in developer communities, in, you know, Legos across Nairobi, Kampala, Cape Town, and the way that we're able to do that that's maybe a little unique is that we, the founding team and our early hires, we've all been plugged into the kind of the tech scene across Sub Saharan Africa for many years. So we're already in those tight communities, and those tech communities have started bridging the continent. So you'll see the West African FinTech whatsapp group, you know, starting to debate the Kenyans on their whatsapp group. And so there's this merging happening. And we, we kind of because we've been watching that for so many years, we have a sense of who kind of the influencers are, who the great developers are. And we've just been keeping a list,

Clay Gordon 12:17

I guess, to that point as well. What do you see is the future of financial systems in the developing countries in Africa, just because they're very different. But you know, technology has been a great connector in sorts. So are you pretty bullish on the Africa market as a relates to FinTech?

Ben Lyon 12:35

Oh, gosh, I am not the only one. Okay. Yeah, Park tech partners. 2018 funding report for Africa was over a billion dollars of venture within the African tech. 500 million plus of that was FinTech. So FinTech is kind of the main use case. Just in the last few weeks, China has been dumping money into Nigerian FinTech visa put $200 million into inter switch which is on path to IPO on the London Stock Exchange. The been working in the sector for a little over a decade 2018 was the inflection point, in my opinion, because we're seeing the right convergence of 618 active tech hubs, you know, billion plus and venture coming in Google Launchpad accelerators, you're getting new seed funds. They're really the enabling ecosystem is coming together. I think I'm not answering your question, though. That's

Clay Gordon 13:24

perfect. That's perfect. I was gonna even do a follow up as well, like, what is the adoption? What is the from the end users perspective? I'm assuming they find you from your

marketing outreach. And as the adoption been pretty easy to onboard a new client, even though you know, it's a different language and everything.

B Ben Lyon 13:41

Yeah. So we don't the end user doesn't know we exist. So we only sell to the developer, the developer big system to their app, and the end user only sees that developers app. So so we kind of we don't have that that issue is much we we have to focus on localizing mostly right now. Everything's in English, which In the covers Anglophone Africa So next is French and you know Portuguese Arabic you kind of bring courted languages, I'm localizing to the currencies took a long time. There's a lot of nuance there. But, uh, I think of again, wow, that's That's right. That's great.

N Nick Jamell 14:18

That makes a lot of sense. If I that would be really tough too. because like you said, there's 50 countries, I'm sure there's a that means there's probably at least 50 currencies, there's probably still a lot of, you know, European and the US dollar and everything as well there too. How do you manage all that? Like, I mean, do you have to manage all that as well? Or do the end developers have to do that? That's

B Ben Lyon 14:38

a problem, the ladders. So happily, the approach that we've taken is that you can use our API's to automate any of those currency or transaction flows regardless of currency. It really doesn't matter. But we you know, this is kind of like an edge cases we were building so if you're building for some Bob way, you need your SDK to support up to seven currencies. Just for one market from day one, because that's a multi currency market after they had hyperinflation. Yeah. So that's something we have to pay attention to. But it's not, it's not super hard to localize most kind of the lingua franca that we that we've seen in the developer communities is English. They're all reading StackOverflow they're all on Quora. It's amazing how how is a subculture? how similar developers are from one market to another, so so that's not such a big lift for us.

N Nick Jamell 15:28

Interesting. That's awesome. Um, I do want to kind of go back to the culture of your company, because I feel like with your company being having such a social impact, that has to drive a lot of your culture and your values, could you speak to you know, your company's values, you said that they know kind of who we are based on being there for so

long. You know, what are those values that attract people to your, to your company?

B **Ben Lyon** 15:52

Yeah, don't laugh. Our mission is verbatim build an inclusive internet. That's a long way from where we're starting, which is making local payment infrastructure accessible to developers so they can build for the world around them. The driver for us is that we are concerned, the world as it may become, is one in which four or five companies control every app in your pocket at the exclusion of local innovation, and so you'll see the WeChat, and the websites really dominating in every market, to the exclusion of the local entrepreneurs. So you won't have you know, the PTM of Malawi, you'll just have PTM come to Malawi. And that world is really exclusive. And it's not representative of kind of the richness of these cultures. And so the world as it ought to be, in our opinion, is one way you can build for the world around you. I keep saying that phrase, it's literally building for your own market because you know, what's best for your market right now that can't happen. And that's just an injustice.

N **Nick Jamell** 16:52

And that's, that's really interesting. It is. I mean, you know, just pushing whatever there is like the WhatsApp of you know, And to make it WhatsApp, Kenya or whatever it is, it may not take into account a lot of what's really going on the ground and be adapted to the best user interface for the people there. Yeah. So having that innovation come from around you is going to make it much more better user interface for you or user experience for you. Yeah,

B **Ben Lyon** 17:17

that's really an add on to that. It's the Lexus and the olive tree concept, globalization sterilizes culture, KFC KFC everywhere. And so if we don't enable the long tail of local innovation, you don't get the long tail use cases, and you just preclude massive parts of the market. Mm hmm.

N **Nick Jamell** 17:34

Yeah, that's really interesting. Um, well, is there a piece of advice then that you would give to someone who is looking to move into a role in tech that maybe isn't a traditional industry? I don't know if you have a lot of hires like that. But as a founder, you know, or as a CEO, what, what is it that you look for out of people when you're hiring them that don't have that prior tech experience, because I'm sure that you run into that.

B **Ben Lyon** 18:00

Yeah, I don't have that prior tech experience. I'm the CEO of a tech company and I had no liberal arts degrees. So take that. For what Yeah, well, you know, I don't think that the lack of direct experience is a non starter. We, when we're hiring, we're not looking at where you went to college. We're not looking at, you know, how many years you've been, we're looking for attitude, we're looking for ability, and we're looking for people that we can help grow over 10 years. So we're, we're looking for people that we can grow with an attitude and culture fit, value fit, not just culture fit value fit is going to be the main driver of that. So we will pull from everywhere we don't. And this is, you know, I'm not you're asking for general advice, and I'm giving you a very specific answer. In our case, we're open to the worker from anywhere so long as they they're aligned with our values and they can they can work, plug it plug into our team work well with us and help us with our goals. That's not true for everyone. But I do think with the distributed teams that does seem more complex Based but I don't have the data on that. That's just anecdotal. Interesting.

C **Clay Gordon** 19:04

Well, um, anything else? Good. Maybe for the listener work, where can they get more information on hover?

B **Ben Lyon** 19:11

Yeah, thank you. Yeah, hover. The website is used hover you se hv er calm, and my email has been at use hover.com Awesome.

N **Nick Jamell** 19:22

Thanks again for listening to today's episode. If you have any thoughts or feedback on the conversation within line, feel free to let us know in the comments. We'd love to hear from you. And as always, to be among the first to hear the stories entrepreneurs, investors and other tech leaders in areas outside of Silicon Valley. Subscribe to us on iTunes at Powder Keg comm forward slash iTunes. We'll catch you next time on Powder Keg igniting startups.