

Digital Africa Ventures aims to support early-stage, digital tech startups



By [Evan-Lee Courie](#)

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In 2020, Thandeka Xaba and her business partner, Nonkululeko Komanyane, launched Digital Africa Ventures - a venture capital fund that aims to bridge the funding and support gap for early-stage tech entrepreneurs across South Africa.



Lebogang Pfonyane, Thandeka Xaba and Nonkululeko Komanyane.

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To date, the female duo collectively raised R26.5m in seed funding for early-stage, digital tech startups. Having successfully founded entrepreneurial ventures of their own, they bring hands-on experience and much needed diversity and relatability to early-stage investing in South Africa.

We find out more from the Digital Africa Ventures team...

■ ***Can you tell us a bit about Digital Africa Ventures?***

Digital Africa Ventures is a venture capital fund that aims to bridge the funding and support gap for early-stage tech entrepreneurs across South Africa.

■ ***When, how and why did you get started?***

The fund officially launched in March 2020, with the SA SME Fund as its anchor investor. The founders identified a gap and need in the market for supporting diverse early-stage tech businesses.

■ ***What is the core function of Digital Africa Ventures?***

To invest in and support early-stage businesses.



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■ ***What are some of the obstacles you've had to overcome since starting out?***

The obstacles we have faced throughout our journey include fundraising and building systems and processes to support our operations.

■ ***You recently raised R26.5 million in seed funding for early-stage, digital tech startups. Tell us more about this.***

Our investors are the SA SME Fund, PAPE Fund Managers and ESquared Investments who are supporting our business to meet its objective of supporting early-stage digital tech startups by investing R2m-R5m cheques per business.

■ ***What advice would you give to other aspiring entrepreneurs?***

Surround yourself with people who you look up to and people who challenge you.

“ Know your 'why' as this is what will keep you going during the most challenging times. ”

Remain teachable - you won't get there alone, you will need an authentic support system who you can use as a sounding board throughout our entrepreneurial journey. Do not be scared of being wrong or failure - the quicker you face the music the closer you are to success.

Last but not least, create space and time for rest - your energy and willpower are your biggest assets and need to be protected and nurtured.

■ ***What does the future of entrepreneurship look like to you?***

We believe that we will start to see an increase in the supply of capital allocated to earlier-stage/riskier investments, as a result quality entrepreneurs will have higher bargaining power when it comes to the funders they choose. These sources of capital will also comprise international investors with an appetite for investing in local businesses. It'll mean that investors will have to do more than just provide capital in order to attract the best entrepreneurs and remain competitive.

We will also start to see experienced long-standing entrepreneurs who have successfully exited their businesses channel money back into the ecosystem as angel investors.

■ ***What do you think is the importance of startup accelerator/incubator programmes?***

Startup accelerators and incubator programmes are extremely important for helping startups establish product-market fit, professionalise and prepare for institutional funding. They provide a quality pipeline to investors and shorten the gap between startups and funders finding one another.

■ ***What would you like to see changed in the South African startup landscape?***

A higher tolerance for failure and pivots. The South African ecosystem still has little tolerance for entrepreneurs doing what is best for the business if it goes against the business plan. We would also like to see increased capital allocated towards early-stage investments and regulations supporting cross-border investment.

■ ***Why would you encourage someone to become an entrepreneur?***

We would only encourage someone to be an entrepreneur if they have strong conviction about the problem they are trying to solve and that they have the right people to do so. There are also different ways one can explore being an entrepreneur. It doesn't always entail an 'all-in' approach, don't be scared to start off small with a side-hustle as a way to test product-market fit and appetite for your product.

▣ **Where would you like to see Digital Africa Ventures in the next 5 years?**

We would like to see our fund having investing in 10-12 businesses and realised some exits. We would also like to see some of our portfolio companies having gained traction in other markets outside of South Africa. Lastly, we would like to have raised a second fund focused on investing in early-stage tech businesses across the continent.

Find out more at <https://www.digitalafricaventures.com/>

ABOUT EVAN-LEE COURIE

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