

Nurturing startup about more than just a revolutionary idea, says ASA Ventures COO

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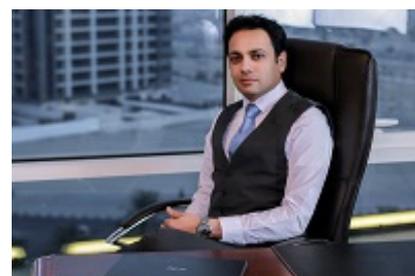
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November 12 – 03:05 – Dubai – *Danish Rizvi, the COO of ASA Ventures, believes support for startups in the region would boost their innovative spirit, resulting in the region's digital revolution. In an exclusive interview to **Wealth-Monitor**, Rizvi sheds light on the SME landscape in the region, entrepreneurship, venture capitalism and transforming technologies.*



Wealth-Monitor: How do you see the future of the venture capital industry in the UAE?

Danish Rizvi: UAE continues to stay on top with the largest share of start-up deals (29 percent) and start-up funding (61 percent). The impressive streak has been powered by the rapidly growing acceptance of investing in to the start-up industry as an addition to the alternate investment ecosystem, fuelled by a number of factors. Some of these factors include the government initiatives, increasing number of incubators, accelerators, angel investors, and venture capitalists. We believe that the generational shift towards these investments and the support available for the startups would further boost their creativity and innovative spirit, thus resulting in the region's digital revolution. UAE presents plenty of opportunities to both venture capitalists and startups.

As the markets, operations, businesses and medium of exchange are shifting towards digital transformation and the online landscape, which itself has a huge potential of disruptive ideas, other areas have become integral which also brings new opportunities in AI, IOT, cybersecurity, blockchain, cryptocurrency, AR, VR, and so on. I believe that the realm of opportunities has just opened for the startup and VC industry, and there is a whole world out there of endless possibilities to be explored. UAE being a hub for all activity in regions including the Gulf, the rest of Asia, and Africa, is the ideal location to unlock the immense potential of this industry.

Wealth-Monitor: Do you think e-commerce is becoming a saturated idea for venture capitalists? Why do startups in the UAE /GCC not go beyond retail industry?

Both multinational and local brands, even most companies around the world are increasingly using online media/channels to reach their customers, marketing and selling their products/services online with the convenience of use adding value to their offerings. The e-commerce retail sales have been increasing while we see a decline in the topline for

traditional retail businesses. The retail and the wholesale brands have started moving towards digitized transactions and platforms from the conventional brick and mortar model.

The e-commerce businesses still remain the most active industry with regards to start-up investments in 2018 YTD, accounting for 12 percent of all transactions and 23 percent of disclosed funding. E-commerce is redefining society today by bridging market gaps that we couldn't have addressed before.

There are plenty of existing and upcoming startups in the region focusing on e-commerce bringing unconventional solutions to conventional problems such as Careem, Fetchr, Ekar, Beehive and Callix.

Wealth-Monitor: What kind of technology ideas are coming from the fresh mind?

Danish Rizvi: Dubai has been evolving from a trading hub into a technological pivot for the region, as it also aims to transcend into smart city. It is also a melting pot of various cultures to develop new ideas that seek to serve social, cultural, and environmental issues. On daily basis, we appraise numerous startups that incorporate technology as a means to address problems and challenges. For example, Zon's sophisticated AI currently works towards eliminating considerable storage, delivery, and stock management costs that are consistently faced by e-commerce platforms. Ideas such as these are fresh-minded concepts that haven't been implemented in any other geography.

Wealth-Monitor: Can entrepreneurship be a suitable alternative to the regular employment for fresh graduates?

Danish Rizvi: Nurturing a startup is a task that requires more than just a revolutionary idea. People often underestimate the blood, sweat, and tears that go into transforming promising ideas into viable businesses. Coming out of university can be a shock to many due to vast differences between theoretical knowledge and real-world application. Employment is an efficient way to bridge the gap and understand these differences.

That being said, many students pursue their ideas right out of university. Entrepreneurship as a journey is all about learning from constant trial and error. The recipe to a successful venture is a solid idea combined with the right amounts of perseverance, dedication, and ability to overcome failure. Approaching incubators, potential clients, and operational partners early on could facilitate development and provide a strategic road-map.

Wealth-Monitor: What should be the realistic expectations that a start-up company should have from venture capitalists?

Danish Rizvi: Apart from an innovative idea that solves a problem, startups should also have a clear-cut business model and ways to optimize their businesses to the best of their ability before approaching any venture capital for support and resources. VC's can really help start-ups scale and grow once they have a solid grasp of their fundamental business model, idea, and vision. There are various factors that can result in a rejection by a VC hence a rejection is not necessarily an indication of poor potential.

They should also be aware that venture capital companies have more to offer than just funding. For example we provide not only monetary capital but also operation expertise in the form of marketing, sales, development, and direction to help start-ups run a profitable and value driven venture.

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