

## **Apps driving ‘democratisation’ of the workplace**

In the evolution of the digital world, apps have made just about anything possible by broadening the access that service providers have to customers. Ultimately, it can be said that digital has democratised business by enabling anyone, even those operating on shoestring budgets, to start an enterprise of their own and exceed their wildest dreams. For consumers across the globe, this new world means more choice and better prices than ever before.

So says Ethel Nyembe, Head of Small Enterprise at Standard Bank, who points to the success of Uber, the innovative app that connects riders to drivers through smartphone technology. It has revolutionised the transportation industry around the world, and is presently making waves on South African shores.

The change Uber is bringing to the transportation industry, and the inspiration it provides to entrepreneurs looking for a new niche for their ideas, was illustrated in a recent episode of *The Growth Engines*, supported by Standard Bank and aired on Business Day TV. The series examines how innovative small and major businesses can collaborate to innovate in their markets.

“By using an app to create a connection point between transportation providers and passengers, Uber has changed the way that people move across 300 cities around the world. It has also boosted the earnings of taxi drivers who can use the technology to be connected to a new base of riders across their cities - thus reducing the ‘dead return time’ that normally occurs after a fare is dropped at a destination.

What is particularly interesting is that fitting the modern app-driven convenience of mobile technology into an established, traditional business like driving a taxi has involved some compromise on the part of Uber. Innovation has won the day, but collaboration between the old and the new is what is

making the concept work,” says Ms Nyembe.

“The app has become the middle-man, bringing the essentials of democratisation to the transportation business. By bringing efficiency and accessibility to the fore, it has simultaneously empowered drivers to transform the way they do business,” says Alon Lits, General Manager: Uber (Gauteng and Durban).

In its six years of existence, Uber has transformed the way that people move around the world’s major cities. Commuters use the app to request a driver close by, are collected by the vehicle, and are billed through Uber, making the service seamless and easy.

“The birth of the Uber service was spurred by the founders walking through the snow in Paris trying to find a taxi. Both, already entrepreneurs in their own rights, returned to San Francisco and developed the app,” says Mr Lits.

Uber does not employ drivers or own any cars, but partners with the drivers. The drivers, in return for being able to access customers through Uber, pay a fee for the lead generation software every time they pick up an Uber rider. Security, however, dictates that drivers must have the necessary public professional driving permit, commercial insurance, roadworthy certificate, and spotless character references before they can join Uber.

It is at this point that the new way of doing business couldn’t succeed without the traditional, concedes Mr Lits.

“We looked at the system in South Africa and saw drivers coming through who had criminal records. We instituted additional screening practices by partnering with EMPS (Employers’ Mutual Protection Services) to clear prospective driver-partners.”

Says Kirsten Halcrow, Managing Director: Employers’ Mutual Protection Services, whose company uses the services of the

South African Police Service (SAPS), Automated Fingerprint Identification System (AFIS), and other South African institutions to ensure that people who apply do not have criminal records and that they do in fact have the qualifications and experience they claim:

“We are constantly examining technology and what value we can add to our clients’ recruitment processes. This is particularly important in the present socio-economic environment where it is tough to get jobs and individuals are looking for easy ways of getting employment – many will use fake qualifications to achieve their ambitions.

Individuals who have criminal records do not admit this on application forms. For Uber specifically, we look for fake driver’s licenses, permits and examine all partner-drivers’ references. Unfortunately, to trust what is on a CV or driver application will not help anyone.”

A more challenging problem for Uber has been the failure of regulations and legislation to keep pace with the changes that have taken place with the emergence of the app world. An alleged contravention of permit bylaws in Cape Town recently saw 60 Uber operators running foul of the law.

“We continue to engage with regulators at city, provincial and national levels to ensure that our partners have a clear route to licensing. At the end of the day, we are dealing with a case where regulation is lagging innovation. It doesn’t make sense to step back and wait for regulation to catch up.

This is especially so in the context of South Africa. How can we sit back and let outdated regulations stand in the way of job creation, and safe and reliable rides that can transform the taxi industry?

We see Uber as not taking away business from traditional metered taxi drivers, but assisting them by taking away their down-time. It is not about them losing existing business, it is about adding to it. Even though Uber fares are lower, we are

being told by drivers that they are making more money and also managing their time better,” says Mr Lits.

“The path to innovation and democratisation will never be totally trouble-free. In a fast-moving world, it is becoming increasingly common for entrepreneurs to identify a need and do what they can to supply solutions. It is inevitable that from time-to-time, entrepreneurs will conflict with entrenched interests and regulators.

Inevitably, the needs of customers and the opportunities offered to people to find gainful employment by using apps and digital services will win out,” says Ms Nyembe.

*The Growth Engines* can be viewed on Business Day TV (DSTV channel 412) on Tuesdays at 9:30pm, with repeats on Wednesdays at 10:00am and Thursdays at 2:00pm. For more information and to view in-depth articles on the key themes explored on the programme, log on at [bizconnect.standardbank.co.za](http://bizconnect.standardbank.co.za) or [bdlive.co.za/indepth/growthengines](http://bdlive.co.za/indepth/growthengines).

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