

You can invest in a beehive, solar panel or blueberry bush

This week, a relatively unknown brand made its way to the top of the download rankings on Apple's App Store for iPhones and iPads. An app from insurance and investment business Fedgroup beat out FNB, Discovery, Absa and Standard Bank to rise to the top in one of the most competitive business categories of the app world.

It did so with a unique model, holding out the promise of extending "impact investment", which is designed to generate social and environmental benefit, along with financial returns, to the farming sector.

Fedgroup calls it "impact farming", but in reality it is a combination of outsourced farming and crowdsourcing – a rare merging of cutting-edge business strategies.

The company carefully vets each farmer, looking at "track records, existing contracts with suppliers and ability to scale up", and provides the platform for owners, farmers and buyers to come together.

The investor comes in through the app, choosing to invest in a range of highly specific options, such as a blueberry bush on a "smart blueberry farm", a solar panel on an "urban solar farm" or a beehive on a "sustainable honey farm".

The investor monitors returns on the app, and can cash these in as they reach preset thresholds.

The concept itself is as interesting as how it emerged from an innovation-shy industry.

"We asked the question, how to break the business?" says Fedgroup CEO Grant Field.

"As we've watched how businesses have been broken over the past decade, for some reason no one was really doing it in financial services.



Arthur Goldstuck

People carry on with old financial services ... we had to be disruptive

"There are two main reasons for this, with the first being the licences and regulations that protect incumbents. The second is brand and the huge marketing spend that persuades people to carry on using old financial services. As we tried to find relevance in that swamped space, we had to be disruptive.

"I realised we had the licence, great technology and a reasonable client base. But if we just came out with an app that sells unit trusts, no one would be interested. We said, let's Uberise our business. It's an overused term but, if you really look at what it means, it's a useful tool. We looked at how one can apply the Airbnb or Uber model of renting out an

existing asset."

The core of the model, they decided, was an agency to look after an asset. In farming, it was about finding an owner who rents out land, a farmer to look after it, and someone who buys the product. Not being a peer-to-peer relationship, as with Uber and Airbnb, it had to be managed more closely.

"We didn't look at products, but at human needs and problems facing society. The fundamental of product had to be transparency of where the money is going, and doing good in the world," says Field.

"Returns are not guaranteed but it's not speculative. These are financial models on which we spent a lot of time. It's not a policy; you own an asset. You own a bush and get returns from that bush. We've serialised every bush, every panel, so everyone has it specifically allocated.

"In theory, you could visit your investment."

* Goldstuck is founder of World Wide Worx and editor-in-chief of Gadget.co.za. Follow him on Twitter @art2gee and on YouTube