



Dealmakers: LULA Executive Director Xabiso Nodada, right, and CEO Velani Mboweni, centre, celebrate the closing of the Zeelo acquisition with Edge Growth's Raheem Sunday

Solving South Africa's problems with home-made solutions

Serial entrepreneur is an avid problem-solver with his eyes fixed on local issues

Some would call Velani Mboweni a serial entrepreneur; he calls himself a problem-solver. With support from the [Association for Savings and Investment South Africa](#) (ASISA) [Enterprise and Supplier Development](#) (ESD) initiative, his latest start-up, [LULA Loop](#) is solving a key problem faced by many ordinary South Africans, a lack of access to transport.

Mboweni, co-founder and Chief Executive Officer at LULA, says the business is tackling big underlying issues, too. "Without access to transport, you don't have access to economic opportunities, and without that you can't solve the issues of poverty, unemployment and inequality," he says.

In mid-July 2024, LULA acquired the South African business of UK-based staff transport supplier Zeelo in a deal that marks the ride-sharing business's move into profitability, thanks to a combination of cost savings and additional contracts. ASISA ESD fund manager Edge Growth announced the transaction, saying that LULA is now on track to hit between R90 million and R100 million in revenue in 2024 and is in a comfortable position to raise a strong Series A in the second half of 2025. Series A, a funding round that happens when a startup can prove that it's ready to scale, is a big milestone as it is when institutional investors start to participate.



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A tech-enabled ride-sharing solution, LULA arranges for groups of people to be collected from their homes and driven to work and back again safely and reliably.

“Think of human resources managers,” Mboweni says, “they have problems with lateness and absenteeism, we are solving that problem by addressing the transport challenge which often underlies these issues.

“Think about the fact that people are spending up to 40% of their income on transportation ... if a business is able to solve this, they are essentially giving their staff a raise.

“Think about high staff turnover, we are helping to solve that problem, too.”

The door-to-door trips are organised and paid for through the employers. Passengers are kept up to date through live tracking on a dedicated app. A series of automated SMSs and in-app notifications provides a backup to ensure everyone is informed and the service runs smoothly.

Granted, there are already many transport solutions globally – from ride-sharing platforms to shuttle services and route-mapping apps – but none before LULA provided a locally designed solution for South Africa's very specific problems and context. These same issues are prevalent across Africa, notes Mboweni.

Ride-hailing services often won't accept a job that starts or ends in many areas home to ordinary South African families. Members of those families would also struggle to have an executive shuttle service pick them up at home.

LULA has added a chauffeur and transfer service for the companies it serves. Mboweni says this enables all tiers of a business to enjoy the value that LULA provides, “whether its entry-level staff needing a ride to work, an executive who needs to a ride from the airport, or a sales team who needs a driver to be with them the whole day driving around the city”.

Tech-enabled transport solutions may be a luxury in some countries but not in South Africa, says Mboweni. “Getting your staff safely to and from work is a game-changer in a country where much of public transport all but shuts down between 6pm and 6am.”

This is especially true for businesses supplying back-office services or running call centres, where there are a lot of entry-level staff working outside of traditional office hours.

Mboweni says he got an early start at understanding business, having been involved in his family's business – which had investments in the payments space, hospitality, gaming and energy sectors – since he was 15 years old.

Mboweni's co-founder at LULA is Xabiso Nodada, who focuses on the product and engineering side of the business. He also has a history of starting businesses before joining Mboweni full-time at LULA in 2018.

Mboweni says investments from the ASISA ESD initiative have been “very meaningful” and have come at crucial moments. The first investment was approved in December 2022 during tough economic times, “after Covid and during a global recession”. The most recent investment helped to fund the game-changing purchase of Zeelo's South African business.

The support has not been only financial because, as ASISA Senior Policy Advisor Francois Adriaan points out, it takes a lot more than a cash injection to turn a start-up into a successful business. Mboweni says the business development support from Edge Growth has been crucial.

“The support has been absolutely superb, whether that be traditional business development support or consultants to help with team dynamic issues,” he says, adding: “Edge Growth has also assisted in putting together the team that helped with the acquisition.”



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Initially, the LULA founders thought most of their business would come from bigger companies, but they soon discovered that the sales cycles were too long and the procurement processes too difficult. That was when they started to pivot to smaller, younger businesses, particularly in Cape Town's growing tech sector. Now - with many clients in Cape Town's emerging tech ecosystem, including Yoco, Luno and Mama Money – LULA is growing alongside that sector.

Mboweni says the idea behind LULA was originally quite different, although it was always focused on solving the problem of lack of access to transport. From early brainstorming days, starting in 2014, the idea was for a business-to-government service. That didn't work out for a number of reasons and, Mboweni says, "we were running out of money".

He was on the verge of quitting when a group of his friends from his university days, all of them medical doctors, said they wanted to invest in his business. They persuaded him to give it another go "since he was the only one in the friendship group with any commercial know-how". They invested just under R1 million, giving the business a lifeline.

Then LULA was accepted into the leading accelerator, Startup Bootcamp, in 2018, which is the year Mboweni describes as LULA really becoming a business.

"In that programme, we realised that we could still solve the problem but just in a different way," he says. "So we pivoted to the current business model, which is moving groups of people from home to work using vans or shuttles from the private sector. The way we grouped them together is by finding their employer."

It is worth noting that LULA doesn't own any vehicles. All rides are provided by existing service providers and fleet owners who have excess capacity.

LULA's first 'real paying customer' (that is, a business "we had no personal connection with") was Pixelfaerie, a company that provides back-office services. LULA started collecting their staff at 4 am in Mitchells Plain to transport them to the office in Cape Town.

Mboweni names Yoco, another local start-up, as an illustration of how agile these younger businesses in the tech ecosystem are: "It took two weeks from the first meeting to first ride." Also, businesses in this growing sector, where the fight for talent is real, tend to understand the importance of employee benefits in getting the best out of staff and retaining talent.

ASISA's Adriaan says that what he really likes about LULA is how it speaks to the tech world as well as the emerging market and is "building African solutions for African problems".

"Here is a locally designed, tech solution that is addressing one of the big, hairy, audacious challenges we face," he says.

When it comes to governance, Adriaan notes that Mboweni has a solid academic background as well as experience running other start-ups.

Mboweni is a fellow of the Harambeans Entrepreneur Alliance (USA), an Alibaba eFounders Fellow (China) and a Top 20 Finalist in Jack Ma's Netpreneur Prize (2019). He holds a BCom (Philosophy, Politics & Economics) from UCT, a BA Honours in Politics from Wits, and a Post Graduate Diploma in Business Administration from Wits Business School. He is a member of a number of public and private sector boards, including Wesgro, CSIR Smart Mobility and City of Johannesburg's Metropolitan Trading Company.

"He also surrounds himself with very smart people. He knows how to run a business," adds Adriaan, who describes Mboweni as "one of those young Black South Africans who cuts across corporate and township, emerged and emerging markets".