

M-KOPA Solar: Using digital disruption to connect the world's poor

“Our vision is that the one billion people living off the electricity grid will get clean, affordable power without the need for the grid. We see a future where the grid will appear old fashioned and increasingly consumers – rich and poor – will generate their own power on their own rooftops.” – Jesse Moore, co-Founder, M-KOPA

Introduction

In mid-2018, Nick Hughes, Jesse Moore and Chad Larson were reflecting on M-KOPA, the pay-as-you-go solar energy company they founded. Launched in Kenya in 2012, for-profit M-KOPA set out to address the demand for affordable and reliable off-grid energy. Initially targeting Kenya's six million off-grid homes and then expanding to Tanzania and Uganda, M-KOPA made power affordable by enabling customers to repay the capital costs of solar home systems over time, using a combination of mobile payments and embedded machine-to-machine (M2M) connectivity.

At the time of founding M-KOPA, the founders had listed three criteria for the company that they wanted to build: it had to involve mobile payment technology; solve a massive pain point for low-income households; and have the potential of becoming a billion-dollar business. Just five years later, they were well on their way. M-KOPA was experiencing rapid growth – adding hundreds of systems per day and predicted to have an installed base of over 700,000 households and over \$70 million in revenues by the end of 2018. Speaking on their growth, Jesse Moore stated:

“We think it's possible to build a business with no trade-offs ... We can benefit the environment. Our customers will be better off. And we'll benefit ... If you take a long-term view and if you treat low-income people as customers rather than charity cases, you can change the world.”

Yet, there were still millions of people across Africa and the rest of the world without access to affordable energy solutions, and competition was heating up to serve them. The challenge for Nick, Jesse and Chad was how best to continue growing the business, while at the same time staying true to M-KOPA's mission and values (**Exhibit 1**).

This case study was prepared by Professors Jamie Anderson (Antwerp Management School), Martin Kupp (ESCP Business School) and Nader Tavassoli (London Business School).

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