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## Movirtu's Cloud Phone Service: Funding a Base-of-the-Pyramid Venture

I don't have a phone, but I'd like to have my own phone number.

— Tony, 58-year-old Kenyan day laborer<sup>1</sup>

Nigel Waller sat back in his chair, sipping a cup of strong tea. Waller was CEO and founder of Movirtu Limited, a start-up company that had developed and patented “cloud phone” software to serve a large portion of the “base of the global economic pyramid” (BoP)—people living on an income below \$2 (USD) a day.<sup>2,3</sup> Movirtu's technology was designed for the one billion people who could not afford to purchase, maintain, or charge the battery of a mobile phone, and had to borrow or share phones. Borrowing was both expensive per call and more awkward for privacy reasons, and it prohibited identity-dependent services, such as banking and receiving customized information. Waller saw the opportunity to offer a mobile identity that operated independently of a given device. The result was the invention of the “cloud phone”—a mobile identity allowing individuals to have their own phone numbers and mobile services, the same way as with a webmail (e-mail) account. As a result, Movirtu users had full and private access to their own data and services without having to own a device.

Movirtu was a two-year-old for-profit company headquartered in London, United Kingdom. The company was prepared to enter the market and looking to scale quickly. Waller and his team had secured two impact investors, Gray Ghost Ventures and Grassroots Business Fund, who, following an internal friends and family round, provided seed capital. Movirtu was now ready to expand its operations and needed to secure a new round of financing. Waller had attracted the interest of TLcom Capital, a United Kingdom venture capital firm that appeared serious about possibly investing in Movirtu. While excited about securing this additional funding, Waller needed to consider: How would an investment by TLcom alter expectations and fit with the company's desire for not only growth but social impact?

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