

Local with a GLOBAL MINDSET

The president of Movile speaks about the future of iFood, which received funding totaling US\$500 million, and encourages the internationalization of innovative companies

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In mid-November, the president of Movile, Fabrício Bloisi, announced that the food delivery app iFood had received support from investors totaling US\$500 million, the highest amount received by a Latin American startup. With these funds in the bank, the expectation was that both the app and Movile, its primary investor, were on their way to becoming unicorns—companies valued at US\$1 billion or greater. Bloisi created shock waves when he revealed that both Movile and iFood had already reached this status back in the early months of 2017, even though this had not been made known previously. For the businessman, this landmark represents yet another number that has been surpassed—his efforts are now concentrated on multiplying the value of the company by 10 in the next few years, an achievable goal due to the international potential represented by the online market for ordering food.

The US\$500 million invested in iFood came from various sources. Movile made an initial investment of US\$100 million in mid-2018. The remaining US\$400 million came at the end of 2018 from the South African group Naspers; from Innova Capital — led by the Swiss-Brazilian investor Jorge Paulo Lemann; from Just Eat, which is the largest digital market in the online food delivery world and is headquartered in London; and once again, from Movile. The funds will be invested to accelerate the growth of the brand in Brazil and abroad, as well as to significantly increase the number of registered restaurants (today there are 50,000), delivery persons, cities, and, consequently, orders. The same app is also available in Mexico and Colombia. Overall, a total of 12 million orders are completed each month. It is one of the largest service companies of its kind in the world.



According to Bloisi, many other young Brazilian companies will be worth more than US\$1 billion in the near future

Movile began to invest in iFood in 2013, and today, it owns 60% of iFood's capital. The company, which is led by Bloisi, includes various startups such as PlayKids, which offers educational content; Wavy, which brings IT companies together; the online ticketing service Sympla; and Zoop, a payment and service platform.

As often happens with technology companies, Movile was created at a university (the University of Campinas, UNICAMP) under another name and underwent various transformations through which it evolved. Bloisi and Fábio Póvoa, who were colleagues during their undergraduate education, created Intraweb, which offered software and IT solutions, in 1998. The company had its beginnings at the Company

for the Development of the Campinas High Technology Center (CIETEC), and in 2001, it was bought by GoWapCorp.

The following year, Intraweb's name was changed to Compera. In 2007, it joined with Movile and adopted the latter's name. From this point forward, the company was run by Bloisi and went through various other stages, including new mergers with and acquisitions of companies in Brazil and other Latin American countries. Within this decade, the company became a capital risk group with 2,200 employees, headquarters in Campinas, and 16 branch offices in Latin America, France, and the United States.

Bloisi is from Bahia and is 41 years old. He decided to leave Salvador for the interior of São Paulo to study computer science at UNICAMP in 1995. He graduated in 1998 and began his master's program at the Getúlio Vargas Foundation in São Paulo (FGV-SP) between 2005 and 2008, during which time he studied models and growth strategies for startups. During this interview, he talked

about the plans for expanding iFood, about the two Movile Group facilities, and about his vision for how Brazilian companies should be innovative and always looking to the international market.

Recently, you said that iFood and Movile have been unicorns since the beginning of 2017. Until now, only Nubank, 99, and PagSeguro have announced reaching this status. Why have you not done the same? Is this not good marketing?

We are not used to revealing numbers. Furthermore, we are more focused on being a company worth more than US\$10 billion, so we think and dream very big. China has hundreds of companies worth US\$300 billion, and the United States, worth US\$1 trillion. But in Brazil, we are used to dreaming of only US\$1 billion. There is room to do much more in our market. It became trendy to talk about being a unicorn. But I think that this nomenclature creates a distraction — I'm certain that, starting now, we will not only see unicorns

in Brazil, but also companies that are worth much more than this. We are just beginning. We want to pass along this optimism to Brazilian companies. This region is a benchmark for investment in tech companies.

iFood makes 12 million food deliveries each month throughout Brazil, in addition to Colombia and Mexico. In which areas will the US\$500 million be invested?

We are growing more than 100% per year, and there is considerable room and desire to grow. We want to double the number of delivery persons and cities served, as well as triple the number of restaurants registered in the app—today close to 50,000—and also the number of orders. This investment will increase the growth, product development, and geographic expansion of iFood. We want to invest more in artificial intelligence and payments, reducing costs and increasing quality, in order to improve the experience of our key partners and customers: restaurants, delivery persons, and users. Our goal is to grow exponentially.

The American industry leader, Grubhub, does 410,000 meal orders per day, which is a little more than iFood, at 390,000. Will you reach first place?

We are growing two times faster than Grubhub in the number of orders per day as an annual percentage. We went from 187,000 orders per day in October 2017 to more than 390,000 per day in October 2018. Online food delivery is experiencing incredible growth on a global scale, and we believe that, in comparing our recent numbers with the key global players, we are putting Brazil on the food delivery map more and more every day.

Is there a possibility that iFood will receive new financial support next year? I believe so, but there is nothing yet forecasted. It is excellent that Movile has long-term investors that have supported us over the last decade. This has ensured that our group will continue to support iFood to ensure that it remains a market leader.

Do you see an IPO on the horizon—an initial public offering or public listing—for iFood or for Movile?

We are not planning this because we



We need to believe in the disruptive potential of technology and understand that trillions of dollars will go to innovative companies in the coming years

are not in need of [additional] capital at the moment. iFood could easily do an IPO today. But we have better access to capital as a private company with the advantage of not having to tell the world what we are doing. We do not have an exact projection for iFood, but we want to grow 10 times bigger.

What is the market value of Movile today?

We can't say. In the beginning of 2017, we surpassed US\$1 billion.

What is the second largest company controlled by your group today?

iFood is the largest. In second place is PlayKids, a global leader in educational content platforms for families. PlayKids, which is the most downloaded educational children's app in the world, includes Leiturrinha, the largest membership club for children's books in Brazil; PlayKids Explorer, a membership club of educational activities; and Loja Leiturrinha, a marketplace with the best children's products on the market. There are also other companies that are part of the group, such as Wavy, which brings

together messengers, content, and other mobile phone operators and television companies. They are a leader in Latin America and one of the largest companies in their industry in the world, with an average annual income of R\$100 million, 100 million active users, and 400 partner companies. We have Sympla, a complete platform for ticket sales and management, as well as registrations for all kinds of events. The company has already sold more than 4 million tickets in 2,000 cities for more than 50,000 events carried out by 10,000 producers. On average, seven tickets are sold every minute. In the beginning of the year, we also invested in Zoop, an open platform for payments and financial services, with financial technology focused on enabling other companies to develop their own payment and financial services solutions.

There is a clear movement toward more research and the use of AI—artificial intelligence—around the world, including in Brazil. Are the companies of the Movile Group that are based in technology already using this resource on a regular basis?

Yes, our companies are already using it, but we want to increasingly invest in AI within the group, as we consider this to be a huge opportunity. We want to be a world benchmark for AI, with the deepest understanding of our customers in order to personalize their experience. No one is investing in AI in Brazil as they should. As a country, we are behind in this game, and we have to change this scenario to ensure our ability to compete. As a company, we are doing a lot in this regard, and we want to become regional leaders in the development of solutions based on artificial intelligence.

You have already stated that technology companies in Brazil think small and should look to the longer term. In your opinion, why is this happening?

It's necessary to be local with a global mindset. Learning with the market leaders is essential. What we're doing at iFood is a world benchmark in food delivery, comparable with the big players in North America and Europe. I believe we have enormous potential as a country and that we can have many US\$10 billion companies. At Movile, we are working to reach this goal, enabling companies with



Food delivery persons for the iFood app in São Paulo: the company wants to achieve exponential growth

global potential to broaden the Brazilian ecosystem. Becoming global is no longer an option—it's a necessity. Therefore, looking only at the internal market and not creating strategies to impact lives at a global level has led to many Brazilian companies becoming hostage to their own limitations.

How do we get out of this trap and create a truly productive ecosystem of innovation for the country?

It requires thinking big and focusing on building global companies. We don't need to have an inferiority complex. I see people blaming the economic crisis and the problems our country is facing. These issues don't contribute to life, but I'm certain that some of the blame can be placed on entrepreneurs. We have to do our part — it's necessary to believe in the disruptive potential of technology and know that trillions of dollars will

change hands, going to new innovative companies in the next few years, supporting innovation and investing more and more in initiatives that accelerate change through technology. We have seen considerable growth in this area in recent years; large investors have begun to look to Latin America, and I believe the trend will be towards big growth. Examples of this are the large investments by China, the PagSeguro IPO, and the emergence of unicorns such as 99 and Nubank, among others.

Even with their limitations, Brazilian universities, particularly those that are publicly funded, grant degrees to professionals who have the ability to solve technological problems. Does Movile recruit people directly from universities?

Yes, we have partnerships with various junior companies and universities throughout the country, such as UFS-

CAR [Federal University of São Carlos], USP [University of São Paulo], UNICAMP, and UFPE [Federal University of Pernambuco], among others. We believe in the knowledge that is produced in academia, and we have various internship programs.

The topic of your master's at FGV was creating a model for the process of accelerated growth for startups. How much did your postgraduate studies help you professionally?

I believe that my postgraduate studies were fundamental for my growth at Movile. I studied how international companies grow and innovate, what consolidation strategies are most effective, and how to apply all of this to improve the group I lead. And, without a doubt, I put my master's into practice changing the strategy of the company. I believe a lot in studying and I don't support the separation of academics from practice—I believe in both. It's necessary to be a student to learn and put this into practice, and this was my experience. I encourage people to continue studying all the time. After my postgraduate studies at FGV, I completed courses at Stanford University, and now I'm starting another at Harvard in the United States. The ability to learn continuously enables me to sustain a company that is always changing and innovating.

During your undergraduate studies at UNICAMP, you participated in a thematic project by researcher Secundino Soares Filho about electrical energy systems through a scientific research scholarship from FAPESP. Did this experience help you in any way when you became a technological business entrepreneur?

My initial scientific research was my first contact with innovation, academia, and the first step toward thinking about doing a master's. It helped me develop a deeper connection with UNICAMP, interact more with my colleagues and professors, and expose me to new experiences and knowledge about technology. At the time when I was doing my initial scientific research, something very interesting happened: I started to develop the idea of launching a business. I ended up putting theory into practice. ■