

Using innovation to improve livelihoods in Africa

By [Jacques Vermeulen](#)

25 Oct 2018

This week as I observed the sun set over the Source of the Nile, at Jinja in Uganda, I thought of the ancient Greek saying: "There is always something new out of Africa".



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Back then, the proverb referred to the continent's extraordinary diversity, but today it can be applied to the accelerating pace of change as Africa begins to reshape its economic destiny.

This is an exciting time to be an African business. We are a youthful continent, experiencing the most rapid urbanisation rate in the world and, by 2034, expected to boast a larger working-age population than either China or India.

Accelerating technological change and the rapid adoption of mobile telephony are helping to unlock new opportunities for consumers and businesses, while governments are growing increasingly conscious of the legislative and policy levers that must be activated to accelerate economic development.

Agility

For a business to compete in this environment demands agility and relentless innovation - to deliver new products that meet the evolving expectations of consumers, new skills to meet the challenges of the fourth industrial revolution, new processes to adapt to new technology and the fast-changing operating environment, and, in the case of Coca-Cola Beverages Africa (CCBA), also new packaging solutions that respond to environmental concerns and the preferences of consumers.

From a product portfolio point of view, CCBA has 508 different products in the nine African markets where CCBA's International Division operates - Kenya, Uganda, Ethiopia, Tanzania, Mozambique, Namibia and Ghana, as well as the islands of Comoros and Mayotte. That is 65% more than we had last year.

Some of them are old favourites, Coca-Cola itself first and foremost, but many are new, like our hydration range of energy drinks and water, our teas and coffees, our nutrition juice and even value-added dairy drinks. Our aim, together with The Coca-Cola Company, is to become a total beverage company, and in this context we are continuously bringing new products to the market in response to changing consumer preferences.

Raw products

Fundamental to our innovation is increased investment and local sourcing of raw products. As an example, in Uganda this year we have developed a bottled product making use of local ingredients as well as locally manufactured packaging materials.

We continue to invest across all our markets in products that respond to changing consumer tastes and preferences, as we seek to increasingly draw on local inputs as part of our commitment to source locally some of the ingredients we currently import. We have an ambitious target to substantially increase our local sourcing by 2022.

This is reflective of our belief that the growth of our business is directly linked to the development of the African economy.



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As we invest in local production capacity, we also invest in our people, building the skills of our workforce to meet not only the requirements of our business, but the broader economy too, thus enhancing the productivity and growth potential of the continent itself.

Before we put in a new line of products, our employees spend several months in the manufacturer's facility in the country of origin, fine-tuning the skills needed to bring those products to market to the high quality standards we set.

Some of this involves reducing sugar in our drinks, and giving consumers options of zero-sugar drinks. It also involves introducing new packaging which reduces portions as we combine scientific research with the changing tastes and dietary preferences of our consumers.

Innovation takes courage

Innovation takes courage and when we succeed, everyone succeeds. In Ethiopia, we built a factory in a location where there was no other development, but once other companies saw what we had done, they started looking for investment opportunities themselves. Today, the plant is run by local employees, all of whom are under the age of 30.

We did that in Namanve about 20 years ago and I was proud this week to visit a budding industrial park where once we stood alone as Century Bottling Company.

Along with the many opportunities on offer, Africa presents unique challenges. In the vast, yet sparsely populated Namibia, we had to completely revamp our coastal route to market to ensure our products were always available and perfectly chilled.

We closed an old depot and replaced it with new Official Coca-Cola Distributors – successfully serving more than 368 retail customers better than ever. We're finding local solutions for local challenges.

Many of our partner businesses— especially the retailers – now employ other people, having benefited from the many mentorship and small business programmes we run. We are determined to turn survivalist businesses into sustainable, growing businesses.

It is part of our sustainability strategy that the growth of our business should be underpinned by growth of the communities who buy our products.

We run a range of community empowerment and environmental stewardship programmes – with a special focus on women and youth development.

We also pay a considerable amount of tax, contributing significantly to the financial wellbeing of each country where we trade.

We share the aspirations of Africans and their governments. We can all agree that communities grow where enterprise flourishes. Economies succeed on the back of innovative thinking. And everyone benefits when companies do what they know best and keep their focus on growth for all.

I leave Uganda feeling comfortable and confident that we are helping to build a better Africa, and we have the will and imagination to make this happen.

ABOUT THE AUTHOR

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