

MICRO DISTRIBUTION

RELEASING THE COMMERCIAL
AND DEVELOPMENT POTENTIAL

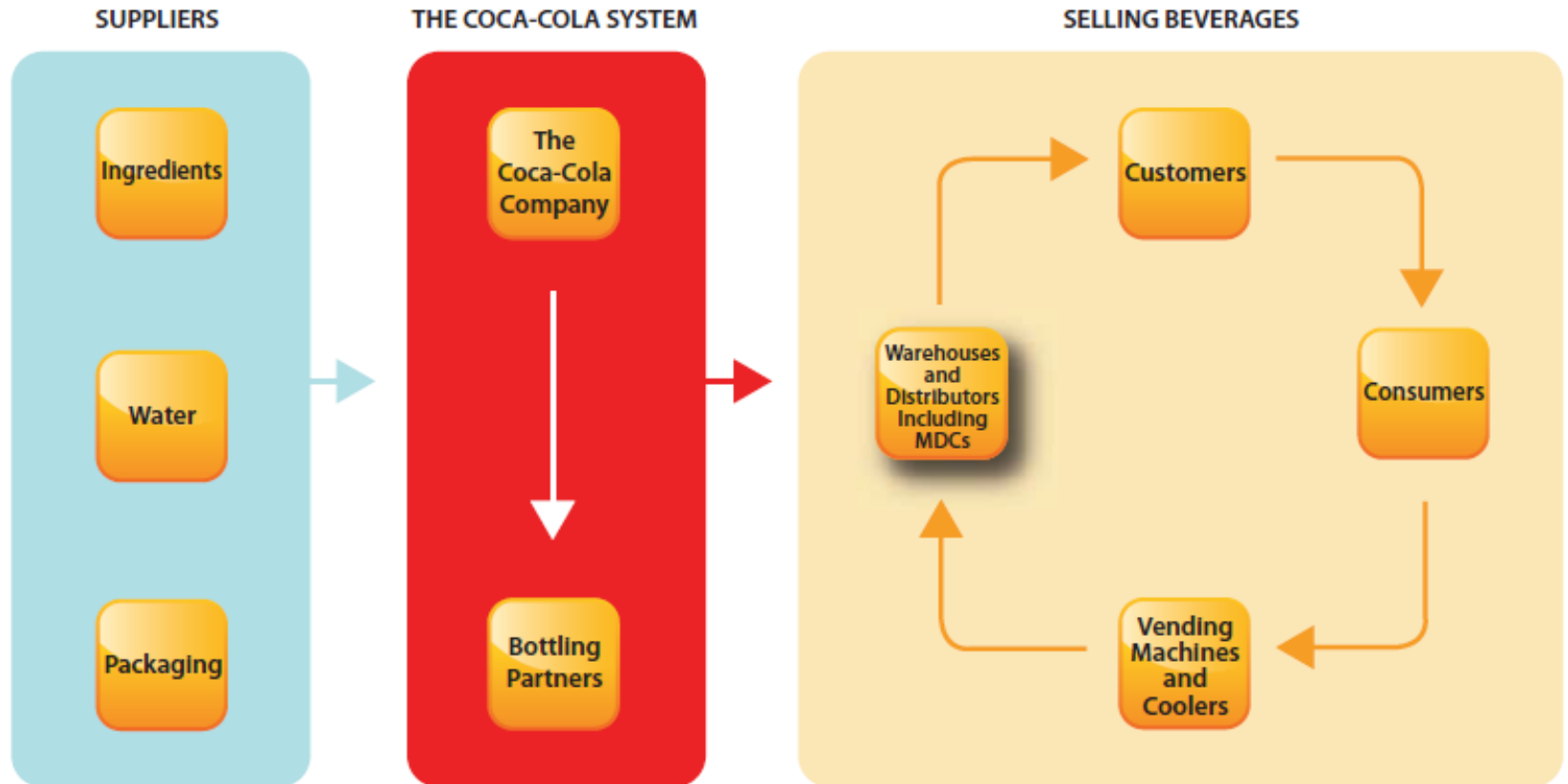


Presentation for
Business Call to
Action Webinar

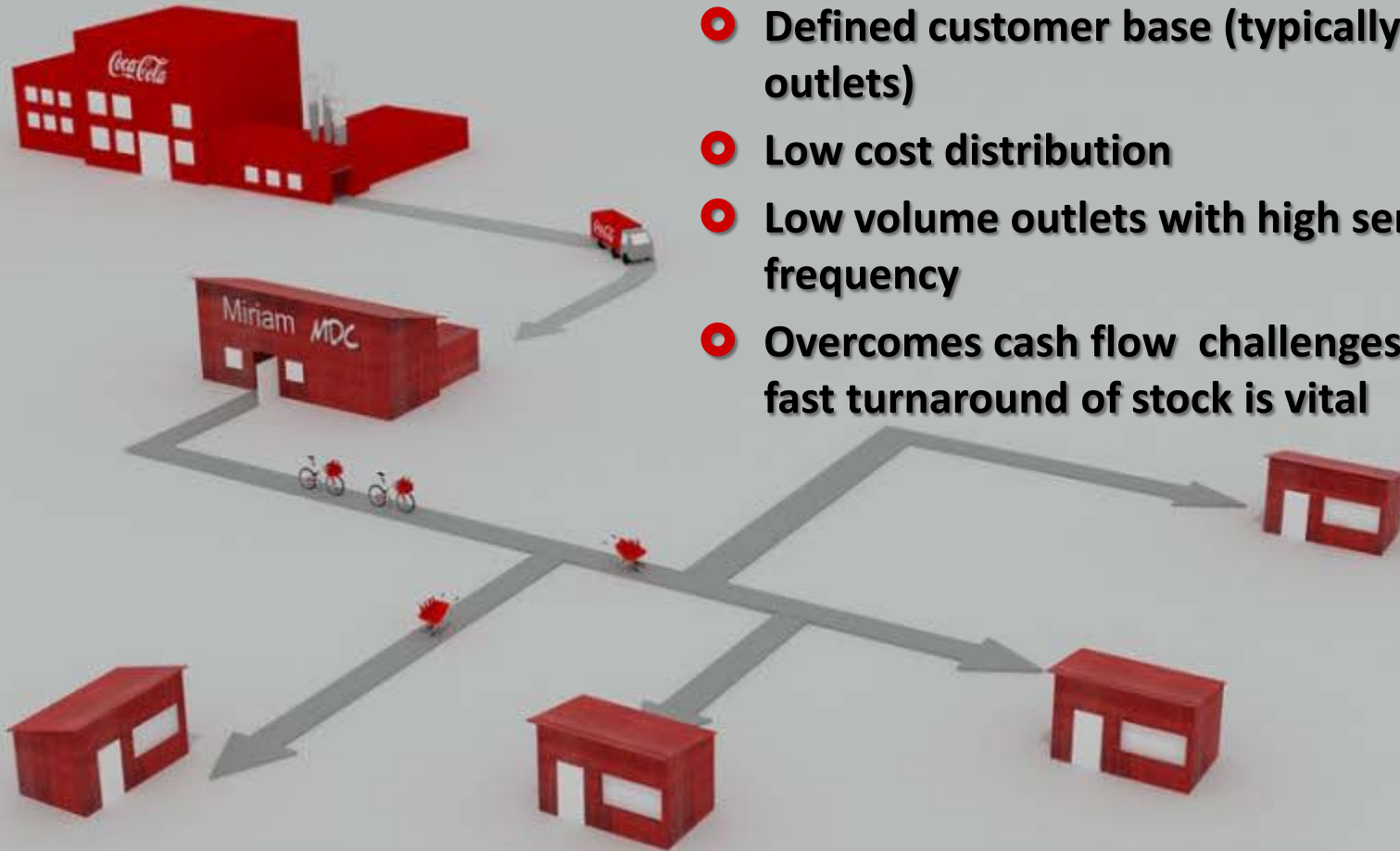
January 13, 2011

The Coca-Cola System

Coca-Cola Value Chain



Micro Distribution Concept



- Central warehouse point
- Defined customer base (typically 150-200 outlets)
- Low cost distribution
- Low volume outlets with high service frequency
- Overcomes cash flow challenges where fast turnaround of stock is vital
- Providing sustainable small business opportunities

The potential in Africa and beyond



• Fastest growth in Nigeria with over 300 MDCs in 18 months and 80% women owned

• Over 15 countries using form of model
• Over 3,200 small distributors
• Over 13,500 employees
• Average 30% women owned



• Significant volume sold through independent distributors in East Africa
• In Kenya, Uganda, Ethiopia accounts for over 80% of volume

Value created through Core Business



- ✓ Creates **jobs and economic opportunity**
- ✓ Contributes to **poverty alleviation**
- ✓ Breaks down barriers for **women entrepreneurs**
- ✓ Builds **business and entrepreneurial skills**
- ✓ Provides unique opportunity to leverage **influence of the Coca-Cola System** to promote the inclusive business concept
- ✓ Creates positive **reputational value**



The Africa Commitments are on Track



2008

In Africa committed to:

- Create between 1,200 – 2,000 new Micro Distributors by 2010
- Create between 5,300 and 8,400 new jobs
- Generate between \$320 million and \$520 million of new revenue in local economies
- Conduct research and test ways to enhance the development benefits

Status

- Since commitment < than 1,400 new Micro Distributors have been established
- Over 6,000 new jobs
- Revenue on target
- Research with IFC/HKS and learning lab completed highlighting opportunity around **women empowerment, financing and training**
- Significant stakeholder engagement

2009

- Committed to target that 50% of all new micro distributors are run by women

Update

- On-going, but achieving target with significant growth in West Africa



Measuring our impact – the learnings and challenges

- Learn by doing, just start!
- Approach the measurement more holistically ..
 - Mindset changes
 - Relationship building
 - Provide support and understand the total context
- Internal stakeholder mapping and relationships
- Our IFC/HKS studies helped to build the initial framework and understanding both internally and externally and built credibility
- Keeping it simple – identify the vital ‘trigger’ indicators
- Collect anecdotal personal stories to build momentum
- Need partner support if we are going to be able to dig deeper into data and build baselines
 - Major challenge is how time to collect in-depth data
- Into the future, we’ll see more holistic measurement being introduced



Measuring our impact – how?

- Initially with some external assistance
- Created standardized internal templates
 - have allowed this evolve as we see how best to get feedback
- Created internal stakeholder group and contact per country
- Lots of phone calls and emails and then some more
- Also try and access as much broader business information as possible
- Twice a year follow up



Some personal stories

**Rosemary Njeri, Nairobi
Kenya**



**Lilian Nale, Dar es Salaam,
Tanzania**



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