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

SUPPLIERS
- Ingredients
- Water
- Packaging

THE COCA-COLA SYSTEM
- The Coca-Cola Company
- Bottling Partners

SELLING BEVERAGES
- Customers
- Consumers
- Warehouses and Distributors Including MDCs
- Vending Machines and Coolers
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

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<th>2008</th>
<th>Status</th>
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<td><strong>In Africa committed to:</strong></td>
<td><strong>Since commitment &lt; than 1,400 new Micro Distributors have been established</strong></td>
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<td>• Create between 1,200 – 2,000 new Micro Distributors by 2010</td>
<td>• Over 6,000 new jobs</td>
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<td>• Create between 5,300 and 8,400 new jobs</td>
<td>• Revenue on target</td>
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<td>• Generate between $320 million and $520 million of new revenue in local economies</td>
<td>• Research with IFC/HKS and learning lab completed highlighting opportunity around <strong>women empowerment, financing and training</strong></td>
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<td>• Conduct research and test ways to enhance the development benefits</td>
<td>• Significant stakeholder engagement</td>
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<th>2009</th>
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<td>• Committed to target that 50% of all new micro distributors are run by women</td>
<td>• On-going, but achieving target with significant growth in West Africa</td>
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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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