

Coke bottler dedicates R3.9bn of procurement spend to black suppliers

Coca-Cola Beverages SA (CCBSA) is committing to divert R3.9 billion in procurement spend, or 30% of the total, to black-owned and black women-owned organisations over the next three years.



“Our new approach breaks down the barriers in the way of business growth and economic development. We’re laying the groundwork for an environment in which opportunities are available – equally – to all businesses, and where collaboration across businesses builds a thriving and vibrant economy that benefits us all,” said CCBSA MD Velaphi Ratshefola.

He was speaking at the company’s annual Supplier Development Conference, which hosted more than 1,000 delegates, including 220 SMME exhibitors, 750 SMME attendees, five corporate exhibitors and 150 corporate attendees at Gallagher Estate in Johannesburg. The conference targeted specific commodity categories, including fleet maintenance, manufacturing plant spares and machinery, engineering and logistics, and packaging suppliers to maximise opportunities to enter the supply chains of participating corporates.

Catalysing transformation

CCBSA said the new procurement process will catalyse transformation for its existing suppliers and open new opportunities for black-owned small and mid-sized businesses.

Research indicates that the majority of small businesses launched in South Africa will fail – many of them within the first year of operation. Among the reasons for these failures are entrepreneurial capability, unscalable business models, access to market and access to capital. CCBSA's new supplier development initiative will take concrete steps to address these underlying hurdles in the way of small business growth in its supplier ecosystem."

"We have recognised that large enterprises like ourselves are not always geared to collaborate with small and mid-sized suppliers," said CCBSA financial director Walter Leonhardt.

He said some of the global best practice procurement guidelines that organisations like CCBSA adhere to, made it very difficult for small and mid-size businesses to participate in the supplier ecosystem.



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Sustainable development

The company says it will accelerate change in this space while balancing this with fiscal responsibility and accountability to all the company's stakeholders.

"We have therefore invested significant financial and skills resources to developing viable, sustainable new approaches to enterprise and supplier development," Leonhardt said.

"These models responsibly yet innovatively set us up to dealing more effectively with smaller suppliers. To support these efforts, we have launched new supplier development and supplier funding initiatives, and created a team dedicated to working with smaller suppliers," he continued.

In addition, 250 small to midsize black-owned businesses will benefit from CCBSA's skills development initiatives, business accelerators and new procurement opportunities.

Ratshefola said innovative and sustainable approaches to enterprise and supplier development would be key to driving economic growth and job creation in South Africa.

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