

How SAB (almost completely) localised its supply chain

The South African Breweries (SAB) sources nearly all of its raw materials - used in the brewing process - from local South African suppliers.



Image: raw pixel from Pxabay

“We source just over 97% of all of our raw materials, including barley, hops and maize from local suppliers, many of which are emerging black farmers and other SMME businesses who we support and help develop through our intensive entrepreneurship and agricultural programmes,” says Zoleka Lisa, VP corporate affairs for SAB and AB InBev Africa.

Local is lekker

A critical focus of SAB since the business combination between SABMiller and AB InBev at the end of 2016 is the radical transformation of its supply chain, bringing the producer and consumer closer together and in turn helping to strengthen the local economy, says the company.

While SAB has always brought local black suppliers on board, giving them access to market and helping them with business support and development programmes, a more robust approach has been taken in recent years to strengthen these efforts.

“We are a proudly South African company and believe that this should be evident throughout our value chain. Through localisation of our business we are able to bring the producer closer to the consumer and in turn strengthen the local economy,” says Lisa.

The business has achieved a Level 3 B-BBEE status, up from Level 4 which it hovered at for a number of years.



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Driving economic transformation

SAB's Entrepreneurship and Agricultural programmes support black-owned SMMEs. The business has committed close to R1bn over five years towards these initiatives through its Public Interest Commitments (PIC) made to the South African government at the business combination.

These programmes allow SAB to move small businesses from ideation to growth and, in the process, transform SAB's supply chain.

“In South Africa, small businesses are important drivers of economic growth and transformation. We believe they are catalysts for real change in our society and what our national government wishes to achieve,” adds Lisa.

SAB's localisation efforts do not just identify appropriate local suppliers but helps them with comprehensive business support training, development and funding agriculture and entrepreneurship programmes.

“Investing in and developing local suppliers at all stages of existence is what enables us to accelerate our localisation strategy and move closer to the goal of 100% local,” she says.

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