A business with fizz

Nyanza Bottling Company Limited (NBCL), a joint venture between Sumaria Corporation and the CMG Group of Companies, is one of East Africa’s most dynamic companies. Christopher M Gachuma talks to Jayne Alverca about his passion for excellence.
Joining hands in 1986, CMG Group’s Christopher M Gachuma and Sumaria Corporation’s Jayesh G Shah together founded, built and developed Nyanza Bottling Company Limited (NBCL), which now sells more than one million bottles per day. Ankush K Shah of Sumaria recently joined as director and forms the board of NBCL along with the founder directors. Currently, the business is headed up by RK Bala, who joined the organisation in 2010.

Sumaria Corporation is an enduring testament to the entrepreneurial flair and business acumen of its founder, Punamchand Keshavji Shah, who left Gujarat in India in the 1940s in search of a better life for his family. His most ambitious dreams and aspirations were realised in East Africa: today, Sumaria is one of the leading private corporations in East and Central Africa with businesses in manufacturing, agro-processing, management services and consumer products, and a geographical reach that takes in the Democratic Republic of Congo, Mozambique, the UK, India and the United Arab Emirates.

The company Shah founded still follows the seven guiding principles which informed his approach to doing business: trust, respect, integrity, passion, humility, excellence and teamwork—and the results are nothing if not impressive. Sumaria has the distinction of having twice been named by PricewaterhouseCoopers as one of the most respected companies in East Africa.

The business remains in private family hands and what makes its success all the more
remarkable is the focus on entering greenfield markets, where there is no legacy of expertise or knowledge to build on. This is countered by a very evident talent for picking the right experts and professionals to run the company’s affairs. NBCL is Sumaria’s only joint venture to date into the world of fast moving consumer goods.

Gachuma, the joint venture partner, is one of a rare business breed in East Africa. Having hailed from a modest background, he is now one of the top businessmen in Tanzania. CMG Group is active in many industrial verticals including construction, food processing, hotels and trading. NBCL has grown to become one of the largest Coca-Cola franchises in East Africa with a focus on bottling and distributing beverages in the Lake Zone of Tanzania, which takes in the Mwanza, Shinyanga, Mara, Kagera, Tabora and Kigoma regions.

Currently 1,100 people from the Lake Zone work for NBCL, making it a very significant employer and driver of economic growth in the region. In addition, there are over 18,000 small community businesses which generate an income from selling Coca-Cola products.

NBCL’s presence in the lakes has grown year-on-year and it now has a heady market share of more than 80 per cent. A major strategic advantage in achieving this level of market penetration has been its extensive distribution capacity. NBCL owns a fleet of more than 200 light, medium and heavy commercial vehicles. Where there is demand that the road infrastructure cannot cope with—many island communities are
served—the company has a cargo ship. Some hard-to-reach communities are even reached by specially adapted tricycles.

The bottling facility occupies a 16-acre site in the industrial belt of Mwanza and incorporates the latest state-of-the-art technology, equipment and processes to slake the region’s tremendous thirst for the iconic brands in NBCL’s portfolio. As well as Coca-Cola, the company also bottles the Fanta and Krest families, Sprite and Sparietta—all developed from concentrate—as well as a local mineral water. The three glass bottling lines at the site can produce up to 100,000 bottles per hour while an adjacent PET line has an output of 24,000 bottles per hour.

Gachuma has been with the company since its inception and is an equal shareholder with Sumaria. “We are very happy to be working with a company like Coca-Cola which takes its responsibilities to supply a top-quality product very seriously. Coca-Cola considers quality at every stage of its operations and we are delighted to be able to complement its commitment to excellence with our own,” he states.

“We never compromise in any way when it comes to quality,” he continues. “Our site has received extensive investment to ensure that it can operate to the highest international standards at all times and we are extremely proud of our achievements here,” he says, pointing out that the plant has obtained HACCP, ISO 22000 and Food Safety Management System (BVQI) certifications.

The latest investment is intended to support the drive towards renewable energy and involves the installation of a new biomass-fired boiler at the production site. The new boiler has a generation capacity of six tonnes of steam per hour which is equivalent to 3.77 MW of power. This will be enough to supply all current needs as well as the anticipated future requirements of the bottling process.

The project is being developed under the ‘Clean Development Mechanism’ of the Kyoto Protocol and Gachuma sees many advantages in this. “It will lessen air pollution and other hazards caused by the current factory boiler which uses oil to operate, as well as reduce our dependency on fossil fuel imports; and it will significantly cut greenhouse gas emissions in the steam production process at the factory,” he says.

The boiler will be fired with renewable biomass such as cotton seed husk, sawdust, coffee husk, rice husk and maize husk which can all be sourced locally and would otherwise be considered waste products. “It has the further advantage that local sourcing of these materials will create new income-generating opportunities for local people, which is another very important consideration because we feel a strong responsibility to support local communities in any way we can. The project will contribute to environmental and social sustainability both locally and globally,” he explains.

The team’s efforts have not gone unnoticed. Since 1997, NBCL has won the coveted Gold Award, which Coca-Cola awards to its best franchisees, on seven separate occasions. This award is given only after the most rigorous auditing procedures and NBCL has consistently featured in a leading position out of 89 other bottling plants in more than 30 countries which also have franchise agreements with Coca-Cola. In 2007, NCBL also won the prestigious President’s Manufacturer of the Year Award in the Large Industry category.

“Our success is down to the energy and commitment of everyone who works in this business”