



THE ROLE OF CO-OPERATIVE FINANCIAL INSTITUTIONS IN
INDUSTRIALIZING AFRICA AND **CREATING JOBS** THROUGH STRATEGIC
SOURCING



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LEADING GLOBAL EXCELLENCE IN PROCUREMENT AND SUPPLY

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POLITICAL FREEDOM AND INDEPENDENCE ACHIEVED



Ghana
1957



South Africa
1994



South Sudan
Oldest country in
Africa is 56 years old

SOME POSITIVES SINCE INDEPENDENCE

OIL
Kenya/South Sudan
sign pipeline agreement

Uganda and Tullow
sign oil production deal



\$1.4bn
TANZANIA EARNED
\$1.4BN FROM TOURISM
IN THE YEAR ENDED
OCTOBER 2011, UP
FROM \$1.2BN IN 2010

\$50bn
Mozambique expects
\$50bn to be spent
developing its liquid
natural gas (LNG)
industry over the next
10 years, implementing
projects for exporting
20m tonnes of LNG a year



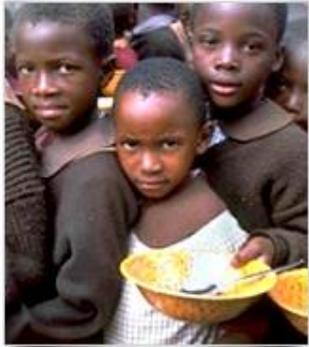
\$1.5bn
THE US PLANS TO INVEST
\$1.5BN IN THE NIGERIAN
POWER SECTOR THROUGH
US PRIVATE SECTOR FIRMS
WISHING TO WORK IN
NIGERIA



22%
Africa's total stock market
capitalisation grew from
\$245bn in 2002 to more
than \$1,000bn in 2010 -
equivalent to compound
annual growth of around
22% per year

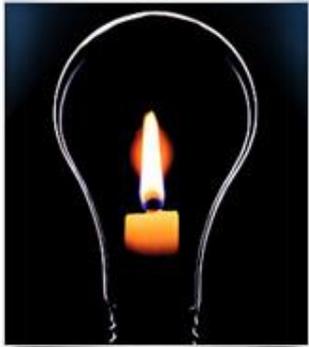
EXTRACTIVE DEPENDENT ECONOMIES NOT CREATING
JOBS FAST ENOUGH FOR GROWING POPULATION

SOME UNFORTUNATE FACTS AND REALITIES - AFRICA



THE FACTS

- + Less than 50% of Government procurement spend directly goes to African owned and based organizations**
- + Africa is generally supporting long term job and wealth creation in other regions of the world
- + Resource-based raw and semi-processed goods accounted for about 80% of African export products In 2011, compared with 60% In Brazil, 40% In India and 14% In China***..



GDP DOES NOT REFLECT THE REAL ECONOMIC DEVELOPMENT PICTURE

**Direct and indirect procurement

***Source. Africa Economic Outlook 2013



WHY THIS?



PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

“Africa is relatively not harnessing the collective value chain resources at her disposal

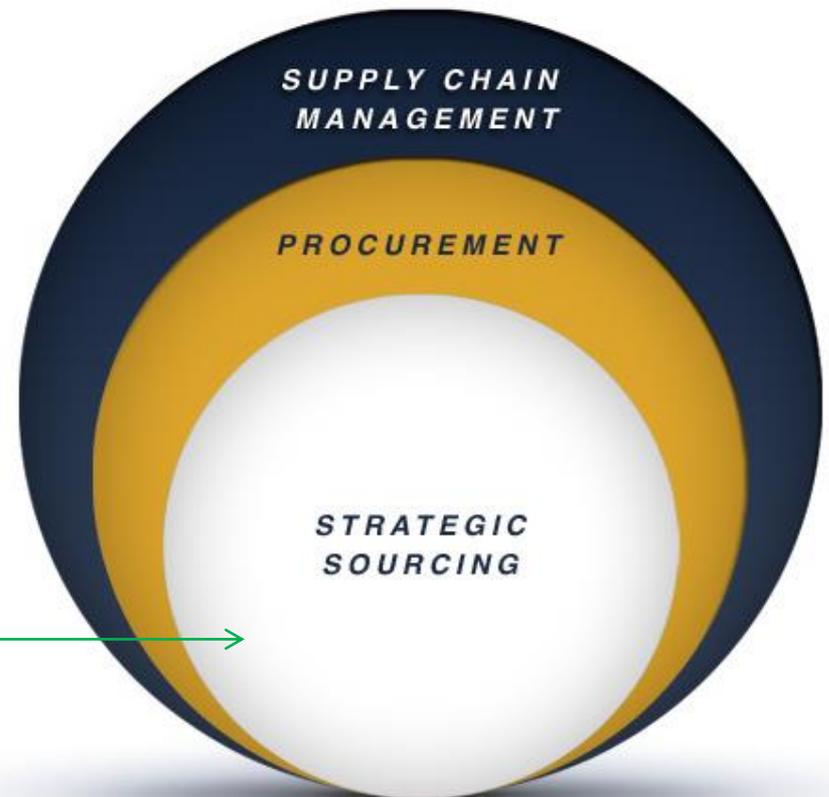
Africans generally just “buy” and not strategically source

It is generally no different for ACCOSCA members and benefactors”



CHANGE BUYING BEHAVIORS THROUGH STRATEGIC SOURCING

- + Strategic sourcing is a sub process within Procurement that assists in amongst others maximizing the use of every dollar of rand used to source a product
- + Coined as strategic because
 - It is a medium to long term procurement SUB process
 - Procurer has to be innovative and strategic when sourcing
 - Helps leverage the organizational spend to benefit company and society
 - **More emphasis on socio-economic development**
- Concept applies to personal BUYING BEHAVIORS



FUNDAMENTAL TO STRATEGIC SOURCING IS THE TOTAL COST OF OWNERSHIP-AN EXAMPLE

WITH MOST ACQUISITIONS, IN AFRICA UNIT PRICE IS OFTEN THE 1ST CONSIDERATION BEFORE ANY THING ELSE

PRODUCT CANNED TOMATOES BENCHMARK PRICES



	PRODUCT A	PRODUCT B	PRODUCT C
INGREDIENTS	80%	80%	80%
GRAMS	400	400	400
Unit Price/Device Cost	90 CENTS	\$1	80 CENTS
SOURCE	SRI LANKA	SOUTH AFRICA	ITALY

BASED ON A MOVING AVERAGE RPI

BASED ON THE DATA ABOVE, JUICE B WOULD BE THE BEST VALUE BUT DOES IT HELP WITH JOB CREATION IN AFRICA?

SO WHAT CAN ACCOSCA DO ?

- + Encourage members to change their buying behaviors to reduce the short term **GAIN** long term **PAIN** syndrome
- + Start early to indoctrinate the African child about the concept of PROUDLY AFRICAN AND BUYING AFRICAN PRODUCTS
- + Encourage co-operative members to 1st source from within country, then Africa and then the rest of the world
- + ACCOSCA must take the lead and create a Pan African co-operative electronic supplier database trading ecosystem to promote and market member products
- + Aggressively promote “**Made in Africa**” products through its grass roots
- + Tackle issues and challenges as a collective
- + Educate and encourage individual members to think beyond their own community and national boundaries
- + Use information systems to promote continental wide networking



Raise
Your
Voice



SUMMARY AND CONCLUSION

Africa's potential can be unlocked through our individual sourcing behaviors
ACCOSCA' organizational and individual benefactors are part of the solution to
unlocking this potential
for the African Child and future generations!

TOGETHER WE RISE, DIVIDED WE FALL

MAY GOD CONTINUE TO BLESS AFRICA, AND HER BELOVED PEOPLE

Nkosi sikel' iAfrika !!



THANK YOU