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Ted London

Unilever Ethiopia's Shakti Initiative: Building a Rural Sales Channel

Ethiopia is one of the least urbanized countries on earth. Eighty percent of the population still lives in rural villages and is not accessible to us. If we want to achieve our ambition of creating a successful and lasting business, we need to find commercially viable ways to serve the communities in rural areas. ... With our established route to market, that's not possible; it's not commercially viable.

--Tim Kleinebenne, managing director of Unilever Ethiopia

Tim Kleinebenne, managing director of Unilever Ethiopia, and Buks Akinseye, a Unilever senior global sustainability manager based in the Rotterdam headquarters, sipped their coffees in Unilever's offices in Addis Ababa, capital city of the northeast Africa nation. With Akinseye in town for a week in March 2020, Kleinebenne was organizing a strategic planning session focused on the company's efforts to build a new rural sales channel. Called Shakti, this new channel delivered fast-moving consumer goods (FMCGs) for sales in rural communities. To develop this channel, Unilever Ethiopia and its partners had recruited and trained a network of 1,000 women to sell a basket of FMCGs within their communities. The women, referred to as Shakti entrepreneurs, each sold an average of 1,700 Ethiopian Birr (or 50 Euros) of products per month.

A key partner in this initiative was Kidame Mart, an Ethiopian social distribution enterprise that Unilever had engaged to establish and manage this new distribution channel. While Unilever and Kidame Mart were proud of what had been accomplished over the first three years of the Shakti initiative, they also recognized the challenges ahead to enable it to become self-sustaining. A factor pressing on their minds was that the start-up financial support from Unilever's Global Sustainability Department was likely to conclude at the end of the year.

The Shakti program was not only a new sales channel, but also a source of pride for Unilever Ethiopia. For Kleinebenne and his country team, this channel offered the potential to positively transform lives in rural communities throughout Ethiopia. Recruiting local women to become entrepreneurs offered them a viable path to greater income and empowerment. And, by providing previously unavailable health- and

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