

# BAT

## CONGO

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CORPORATE BROCHURE





# People power

**G**lobal tobacco company BAT has been operating in the Congo since 1939 as the Congo Tobacco Company, establishing its first factory at Stanleyville (now Kisangani) in the heart of what, for many years, was the country's main tobacco growing area. In spite of political upheaval and fierce wars, BAT has remained loyal to Congo, seeing it evolve from the Belgian Congo to Zaire, and eventually to the Democratic Republic of Congo. During this time, the company established a second factory at Lubumbashi in the south and a third in Kinshasa and eventually changed its name to BAT Congo in 2006 by presidential decree.

BAT Congo has been operating in the Democratic Republic of Congo for 72 years. Steve Lusinde talks to Gay Sutton about the company's efforts to tackle sickle cell anaemia, and how the business is being transformed through its people



# Ashley Alteams



**Ashley Alteams India Limited** is a joint venture between India's second largest commercial vehicle manufacturer Ashok Leyland and one of the largest aluminium die casting producers in Europe Alteams Oy, Finland. AAIL aims to become a world class **Aluminium Die Casting** manufacturer and thus be the most preferred supplier to our customers by providing innovative product solutions



AAIL provides end to end die-casting solutions with latest technological expertise and value engineering for automotive, communication networks, and other industrial requirements. AAIL is backed by European technology with an annual installed capacity of 7000MT and capability to produce HPDC components ranging from 0.5 kg to 20 kg.



“We brought in the very latest equipment and materials and essentially doubled our capacity, increasing the number of production lines from two to four. As a result, our facilities are unique in the DRC”

Today, the company has consolidated its operations to a single, extensive state-of-the-art facility in the capital Kinshasa, and directly employs over 200 people in the business. “We also employ a further 1,500 people indirectly across our subcontractors and distribution channel, as well as some 5,000 people farming the tobacco,” explains head of Corporate and Regulatory Affairs, Steve Lusinde. “All of which comes to a grand total of over 6,500 direct and indirect employees in the

DRC, making us a major employer and significant contributor to the economy.” In 2009 alone, BAT contributed around US\$40 million to the treasury. “Between 2001 and 2006 we invested in extending the capacity of our factory,” Lusinde says. “We brought in the very latest equipment and materials and essentially doubled our capacity, increasing the number of production lines from two to four. As a result, our facilities are unique in the DRC,” he continues.



Alteams Oy

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ASHOK LEYLAND

Registered office: AD-61, New No.3, First Floor, Third Street, Anna Nagar, Chennai – 600 040 | Tel: +91 44 4261 5323 | Fax: +91 44 26200224  
 Works: No.8, SIPCOT Industrial Park, Chellaperumpulimedu Village, Sozhavaram Post, Akkur Via, Cheyyar Taluk – 631 701, Thiruvannamalai District  
 Email: [marketing@ashleyalteams.com](mailto:marketing@ashleyalteams.com)





Alongside rationalisation and consolidation, the company's development strategy has been enshrined in a business transformation project called 'Congo Transformation' which was launched in 2009. The target is to organically grow the company by 60 per cent by 2015—a period of just six years—and to bring about a comprehensive business improvement. An essential part of this is developing a people-based working culture. "We decided to involve everyone in the organisation," Lusinde says. "We developed nine 'work streams'—essentially think tanks. Each one was composed of people drawn from all areas of the organisation."

Each work stream was asked to come up with possible improvements for a designated function within the company and to present the results of their brainstorming at a meeting at the end of the first year. "Crucially, the most junior staff were designated to do the presentations, to develop ownership of the projects and develop leadership skills. It was astonishing to see the individual potential being realised throughout the company."

Some of the projects have been taken further and developed into full trials and then rolled out as standard practice. One highly effective example was the suggestion that shipping products to the north of country would be more cost effective via the Congo River rather than by plane. "We are now shipping much of our product by this route, and we expect to save around US\$4,000 a year by doing so," Lusinde comments. Across the company, the overall transformation scheme has resulted in cost savings of around £4 million a year.

"One of our business principles is that we should be close to the community in which we operate"



Going forward, the company has now initiated what it calls GM breakfasts, where junior staff take breakfast with the general manager, and this has resulted in significant operational improvements across the company. "Within 20 minutes of the start of the first breakfast, we found they began to talk about the issues facing them every day," Lusinde says. That first breakfast was with the company drivers who are employed to work from 8.00am to 5.00pm. Their issue was that they were often expected to remain behind for long hours into the evening and night, and yet received a fixed overtime allowance regardless of the hours they had worked. "That was simply not fair," Lusinde says. "So we promised to return to them with a clear response."

The general manager met with the managers who used drivers, explained how this regime was clearly unfair and how the staff felt they were being exploited, and he laid a solution in front of them. If the managers needed a driver outside normal hours

cell anaemia. Endemic in sub-Saharan countries, the disease causes great pain and suffering. "Here in Kinshasa alone some 300,000 people suffer from the disease, and across Congo that figure rises to more than one million," Lusinde explains. "Our first initiative was to completely refurbish the specialist hospital here in Kinshasa, and this was a huge undertaking. The second was to buy a truck and transform it into a mobile screening service, the Drepa Mobile, which now travels across the province providing a free test for the disease."

More recently, the company has participated in the purchase of two high specification machines for testing newborns. The first one was installed in 2007 and the second just last year. "There are only four of these in the whole of Africa, and two of them are here in Kinshasa." The test is offered free and purely on a voluntary basis.

Looking to the future, one of the big challenges facing BAT is the illicit tobacco trade, which has



**"Our ambition is to grow organically by 60 per cent over the next five years"**

they would have to pay the driver from their own pockets. If it was not convenient, the driver would have the right to leave the car keys and go home to his family and return to work the next day.

"Initially the drivers thought it was a joke, but within three weeks everyone adapted to the new regime and it has become normal practice in the company," Lusinde says. "This was a revolution for the drivers and has worked really well." Lusinde has now developed a system for consolidating the results of the breakfast meetings, negotiating change and ensuring that improvements can be delivered.

BAT also invests considerable time and resources on corporate social investment. "One of our business principles is that we should be close to the community in which we operate," he says. "It's the mutual benefit principle: we believe in adding value to the communities in which we operate."

As well as working in the usual areas of education and community, the company has been making a big difference by working in partnership with Initiative Plus, an NGO lead by the Congolese First Lady and the French NGO, Noir et Blanc, to tackle sickle

doubled in Congo in the last three years and leaves the company with a significant struggle on its hands. "Our market share, particularly at the lower end of the market, has been falling. By contrast, our ambition is to grow organically by 60 per cent over the next five years," he says. "However, we are confident that by working closely with customs and the tax authorities we can find a way to contain the phenomenon, track and fight it."

There are undoubtedly large sums of money involved. "And those who engage in the illicit trade are very dangerous people," Lusinde concludes. But the company is fighting its corner in the way it knows best, by supporting the authorities, tracking the activities of the illegal traders and by employing its well developed people skills. "We're organising press conferences to develop awareness of the issues and explain the implications. And those communications will go out through the newspaper and television."

With BAT Congo's track record of working in the community and its people-oriented business practice, the hope is that the messages will be heard and understood. [www.bat.com](http://www.bat.com)



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