

Sasini innovation, expansion pay off as net earnings grow

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In the half year ended March 2022, Sasini PLC recorded a jump in net profit to Sh421 million up from Sh122.2 million the year before.

According to the Group Managing Director Martin Ochien'g, this is the result of a strategic effort by the agricultural company to strengthen its core businesses through systematised innovation and new expansion opportunities.

"We have a focused attachment to our strategic framework which we launched three years ago. This has ensured the company stays true to what it wanted to achieve when this new approach was launched," Mr Ochien'g said in an interview with *Business Daily*.

Four factors led to the achievement witnessed despite the pandemic and the difficult operating business environment. First, the firm cleaned out its tea business with an aim of improving agronomy and production efficiency by focusing on improved quality. This in turn led to better price realisation in the market place. Secondly, the company's coffee sector took advantage of the smaller than normal global supply of coffee by aggressively positioning itself as one of the key competitive sourcing options in the global trade.

Thirdly, the agricultural firm slowly but steadily grew its macadamia and avocado businesses to the point where their contribution to its bottom line became substantial. Lastly, its pursuit to capture new growth opportunities saw them seek and open up new markets in the Middle East and the Far East

Foundation of the company's success and growth has always been innovation and technology

for all its products. This reduced Sasini's reliance on the traditional European and North American product destinations.

The MD noted that this couldn't have been achieved without the company's greatest asset: its people.

"To underpin this, we chose to drive the development of our talent pool to spur more unlocking of the company's hidden potential. Our people are our greatest asset and when given the opportunity to express themselves, they deliver the best they can," he said.

The foundation of the company's success and growth has always been innovation and technology, which the company leverages to remain competitive. The company completed the rollout of mechanisation of its tea fields in 2020. The main focus now is on increasing automation in its factories to further improve efficiencies and quality, and driving down its operational costs.

"In the middle of the pandemic, we saw an increased use of communication



Sasini staff at the company's macadamia plant in Kiambu. POOL



Workers at Sasini tea plantation. POOL

technologies to close the gap arising from the absence of physical contact and global travel in driving business goals," he shared.

Furthermore, the company installed an ultra-modern nut processing facility, the best of its kind in East Africa. With the sector experiencing a recovery occasioned by the resumption of global retail, air travel and the reopening of the hospitality industry, this investment has seen the firm appeal to a wider range of markets and clients across the globe, as it's able to meet the different nut needs and standards required.

The global demand for avocado fruit still far outweighs the current global

supply. Going by the current trends, this will be the case for many years to come. In anticipation of greater markets, Sasini PLC installed its own fruit pack house in 2021 lending it a more reliable operational landscape and capability necessary for the avocado business to thrive.

"Investment in modern technology and equipment in our coffee, macadamia and avocado businesses has yielded a great ROI. We intend to continue with such advancement of technologies in our tea factories, especially, in the short to medium term to foster accelerated growth," Mr Ochien'g said.

Sasini is acutely aware of the importance of the environment in the agricultural industry, which gets its success from the abundant resources provided by nature. Doing business sustainably is therefore part of its core strategy. As a strong member of the United Nations Global Compact Kenya Network, Sasini PLC is not only committed to sharing the good performance with the communities in which they operate, but is fully committed to driving the business sustainably.

"What this means is that we will aim to do what is right for our

communities as much as we aim to generate profits that allow us to do this," he said.

In this regard, the 70-year-old company has chosen nine of the 17 SDGs in its pursuit of ensuring Sasini PLC operates within the norms of what corporate responsibility is for a company of its stature. The goal not only links their accomplishments to social progress, but equally highlights Sasini as a prominent voice in the sustainability agenda. Following the nine SDG's objectives, it is currently undertaking specific projects to help the communities that live and work around its plantations enhance their livelihoods.

An impressive company performance tends to put a smile on its shareholders.

"When we announced our half year results in early May 2022, the directors declared an interim dividend payment of 100 percent (Sh1.00 per share). This reflects our strong results, whose culmination is to reward our shareholders accordingly. As a company, we intend to continue driving this robust performance to pay even more handsomely in future," Mr Ochien'g concluded.