



Amatil X: The power of partnering with Indonesian startups

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Indonesia's dynamic startups are setting the pace of innovation in Southeast Asia – and Australia's Coca-Cola Amatil has taken notice. The bottling giant set up its corporate venture capital platform Amatil X to partner with Indonesian startups and foster their growth, as well as build the capability of its Indonesian workforce. As an active participant in Indonesia's innovation ecosystem, Amatil X has early access to leading-edge solutions that address market challenges and create future growth opportunities.

Based in Sydney, Coca-Cola Amatil (Amatil) is one of the largest bottlers and distributors of non-alcoholic and alcoholic ready-to-drink beverages in the Asia-Pacific region. The Coca-Cola Company is Amatil's largest brand partner and shareholder.

Digital transformation is a key driver of Amatil's business. Inspired by the innovation taking place in San Francisco and Silicon Valley, the company set up Amatil X in 2018.

'Amatil X is a corporate venturing platform that helps us identify, work with and invest in startups, and build entrepreneurial capability across the business,' says Alix Rimington, Co-founder and Head of Amatil X.

'Knowing the scale of our business and our future ambitions, we believe that working with the right partners will help us face market challenges and capture future growth opportunities.'

Indonesia: Southeast Asia's startup capital

Amatil has been operating in Indonesia since 1992. The company has eight manufacturing facilities, more than 300 sales and distribution centres and a distribution network that reaches all corners of the country. Amatil employs more than 9,500 people in Indonesia and distributes 1 million cases of drinks to over 500,000 outlets across the nation every week.

Rimington says Indonesia was an ideal location to launch Amatil X.

'Startups set the pace of innovation, especially in Indonesia – I believe the country is fast becoming the startup capital of Southeast Asia,' she says. 'There is a growing population of well-educated, incredibly intelligent entrepreneurs building solutions to common problems.'

Amatil X has invested in two startups since its launch in Indonesia in April 2019. The first was Kargo Technologies – a freight logistics startup offering a platform that allows shippers, transporters and truckers to connect, transact and track shipments in real time.

'Kargo's platform helps us to match freight loads with available trucking capacity,' says Rimington. 'They are enabling us to fill the backhaul on some routes so trucks aren't driving around empty after making a delivery. The technology is helping us ship products in a more productive, cost-efficient way.'

Amatil X's second investment was in Wahyoo, a startup that works with 'warung makan' – traditional small-scale eateries and restaurants – to digitise their operations. Wahyoo's digital tools and services help eateries attract customers, enhance marketing efforts, implement loyalty programs, order and receive groceries, and manage financial accounts.

Rimington says Amatil X's involvement goes beyond funding. 'We want to help startups to scale their business. We give Kargo access to our facilities to collect data so they can build out their technology. We pilot equipment with Wahyoo and provide offers for their customers.'

Building Indonesian capability

Amatil X also runs the Amatil X Academy, a structured program similar to an accelerator that builds entrepreneurial capability in its workforce and connects them to the startup ecosystem.

'We believe our people know our business and our customers best – and they also know where the challenges and opportunities are,' says Rimington. 'When we combine this customer focus with a startup mindset and an environment which encourages experimentation, we can drive innovation across the business.'

In 2019, the Amatil X Academy trained more than 1,600 employees in 14 locations across Indonesia. Employees workshopped their ideas for improving the business and received mentoring from some of Indonesia's top startups including Go-Jek, Bukalapak and Tokopedia.

The program culminated in a 'shark tank' event where two teams were selected to turn their ideas into a working prototype.



Image: Amatil X Academy Shark Tank winners with Coca-Cola Amatil's President Director Kadir Gunduz in Jakarta. Also pictured are Amatil X Academy Program Director Retno Dewati and former CEO of BlueChilli Sebastien Eckersley-Maslin.

'In a joint venture with one of our partners, we are starting to build a PET recycling facility in Indonesia, and one team looked at ways to ensure the raw material (used plastic) is sourced sustainably and ethically,' says Rimington. 'They came up with an app-based platform that improves the traceability and transparency of that process. The team was very excited to apply their learnings in the Academy to a real-life project.'

The other team came up with a solution to address a common issue in the food and beverage industry.

'They developed a prototype for an integrated product distribution and stock visibility platform with QR code technology which tracks Amatil products from the point of manufacture to the point of distribution,' explains Rimington. 'It was designed to help us manage stock that is reaching its expiry date while identifying locations where stock levels are low.'

Investing in Indonesia

Rimington advises aspiring investors to become familiar with the Indonesian ecosystem.

'I spent a lot of time meeting people in the industry, going to accelerator demo days, and developing contacts in the venture capital sector,' she says. 'Everyone I've met has been incredibly generous with their time, providing referrals to help identify potential investments.'

Rimington advises businesses to utilise Austrade's expertise. 'Austrade offered a huge amount of assistance when we were exploring the market. The team provided an overview of the market and its main players and introduced us to VC firms and other Australian companies in the ecosystem. They were a supportive partner who opened a lot of doors for us.'

Amatil X is finalising its third Indonesian investment. Despite the challenges of COVID-19, Rimington says Amatil X remains open to investment opportunities in Indonesia.

'Indonesia has so many things in its favour: a large, relatively young and tech-savvy population, extraordinary mobile internet penetration, industries that are digitising their operations, and a government that is setting the right conditions for business to innovate.'

'It is a country that is looking to develop quickly. Indonesian companies and startups that have solved a business pain point have had extraordinary success. In this new emerging space, there are huge business and partnership opportunities in Indonesia.'

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