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How SoleRebels built a supply chain in Ethiopia

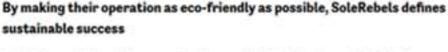
posted by Alison Ratcliffe in Supply chain











Bethlehem Tilahun Alemu wants her supply chain to be as short, in-house and Ethiopian as possible. She has applied this principle unswervingly since she founded footwear manufacturer SoleRebels in Addis Ababa in 2004. The operation now has 18 global standalone outlets and reaches 55 countries via deals with Amazon, Rakuten, Urban Outfitters and Whole Foods Market.

The company ships directly to its retailers, keeping its order-handling, accounts processes and marketing in-house, so that most of the retail price stays in Ethiopia. This allows it to pay wages three times the industry average.

Alemu's initial motivation was to draw on Addis Ababa's skilled but underemployed artisan spinners, weavers and small farmers. Older women spin for SoleRebels in their own homes, and have their yarn picked up. The Ex-Leprosy-Patient Women Work Group is among the firm's suppliers, typifying its work with the disadvantaged. Around 95% of manufacturing is done by hand, with fabrics woven on traditional eucalypt looms, allowing for zero-carbon production and making SoleRebels the world's first Fairtrade-certified footwear company.

"Rather than outsource our shoe design," Alemu told Arabic Knowledge@Wharton, "we conceive and develop everything we make in our workshop in Addis Ababa. This has brought innovations, such as a new weave technique that gave birth to a new, more breathable and absorbent fabric for lining our shoes and sandal straps."

Alemu embodies the Ethiopian government's desire to increase the export of manufactured goods. "Our desire is to control the fruits of our land and labour and the processing of these," she says. In this case the fruits are cotton, grown by small-scale, traditional and organic farmers; and leather, from Africa's largest population of livestock. SoleRebels also uses local hemp, jute and the indigenous and multi-functional koba - hence its tree logo.

The company name was born out of tyres being recycled into soles – as is customary in Ethiopia - and having once been worn by rebels taking on Italian colonialists. Old army camouflage fabric contributes to SoleRebels' 50% recycling quota, while packaging is made from old shipping cartons, and shoe orders are sent in reusable cotton bags.

"In a time when supply chains are still so dislocated from producer to consumer, we provide a viable alternative," says Alemu. "We believe consumers connect to our model of business. They can see the producer controlling the brand and reaping the benefits. In other words, they see sustainable development in action."

The plan for the future

SoleRebels aims to open 150 stores globally by 2018, and 500 by 2022, generating \$250m and \$1bn respectively in revenues. A new £14m renewably powered factory is lined up for Addis Ababa. Alemu has also launched a bespoke leather goods brand, Republic of Leather.



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