

In conversation with Barati Mahloele, Tiger Brands Venture Capital Fund director

 By [Katja Hamilton](#)

20 Apr 2022

The Tiger Brands Venture Capital Fund is continuously working on pipeline opportunities for investment and strategic partnership. New director of Tiger Brands Venture Capital Fund, Barati Mahloele, unpacks how the company is putting its money where its mouth is.



Source: Supplied. Barati Mahloele, new Tiger Brands Venture Capital Fund director.

■ ***In your new position at Tiger Brands, I understand that you will be responsible for leading the company's Venture Capital Fund which was launched in mid-2021.***

Yes, this is correct. In the long-term, the Tiger Brands Venture Capital Fund aims to, among other goals, contribute towards Tiger Brands' growth, support the entrepreneurial ecosystem, and enable innovation.

All of this is underpinned by our business purpose of nourishing and nurturing more lives everyday, and ensuring that with every investment, the fund is in line with Tiger Brands' Sustainable Future Strategy.

■ ***I see the fund's mandate is to invest in start-up businesses that align to Tiger Brands' consumer-relevant growth platforms of health and nutrition, snackification, and economical food options, and to grow these businesses alongside the entrepreneurs running them.***

Yes, and these growth platforms are informed by research on long-term consumer trends, which are important to understand, as long-term consumer trends often become new product categories. Take plant-based products as an example, this is a new, and ever-growing product category, which a couple of years ago was viewed as only for vegans and vegetarians.

In addition to the consumer-relevant growth platforms you correctly mention, the Tiger Brands Venture Capital Fund is also looking to invest in technology companies which can enable Tiger Brand's growth. This includes FoodTech or AgriTech companies which are aligned to Tiger Brand's business, or other technology companies which can enable growth through our Route-To-Market, or supply chain.

▣ *What are your three core strengths you'll be bringing to this role?*

I have a combination of commercial consumer-goods experience at a multinational fast-moving consumer goods (FMCG) company, as well as private equity and early-stage venture-capital investment experience in sub-Saharan Africa across the food value chain.

In this role, where a practical understanding of the consumer-goods sector, commercial aptitude and investment knowledge is necessary, I can identify innovative entrepreneurs and disruptive business models, which will fulfil the mandate of the fund.

▣ *What are the current strengths of the Tiger Brands Venture Capital Fund division? How will you grow these strengths?*

The unique way in which the Tiger Brands Venture Capital Fund has been set up, and the decision-making structures include various key functions within the business, which enable robust discussions, analysis and strategic alignment for all our investments. I plan to continue leveraging the combined strengths of the team and to ensure the fund partners effectively with the entrepreneurs as they grow their businesses.

▣ *What differentiates Tiger Brands' venture-capital investment model from its competitors?*

There are different models which are currently being executed by players within the consumer-goods market. For Tiger Brands, the reason for a venture capital fund, is that it allows the company to dedicate resources towards long-term strategic growth through investments, while allowing the core business to continue operating optimally.

This model also enables us to partner with the companies and support their growth, without getting involved in the day-to-day operations or stifling their innovative nature, flexibility, and speed to market.

▣ *Aside from Herbivore, which you've recently signed on, could you give me two more examples of such businesses you intend to invest in and how you will be growing the entrepreneurs backing them?*

The Tiger Brands Venture Capital Fund is continuously working on pipeline opportunities for investment and strategic partnership. In line with our investment mandate, we continue to assess investment opportunities, conduct due diligence, and ensure legal agreements and growth strategies which will enable the creation of shared value. Partnering with the right entrepreneurs is central to our approach, as well as ensuring there is aligned strategic intent.

▣ *I see you are looking to expand the venture capital fund's participation in new product categories. Could you elaborate on this?*

The Tiger Brands Venture Capital Fund's focus and investment mandate is underpinned by extensive research we have done on long-term consumer trends. The reason for this is that long-term consumer trends often lead to new product categories. What this research has found is that consumers are continuing to be more mindful and deliberate about wellbeing, health and nutrition, and are looking for food that can enable this for themselves and their families.

To give some examples, in the beverages category, consumers are looking for beverages which provide more than just a thirst quencher. Our research has also highlighted that consumers have a heightened awareness of the productivity value of every second, and are therefore looking for more convenience.



Tiger Brands VC fund invests in SA plant-based food producer Herbivore

28 Mar 2022



■ ***What is your vision for this role and how would you like to see it manifested in the next five years?***

Ultimately, I would like to see the fund grow, and be able to invest in more innovative entrepreneurs and support Tiger Brands' growth.

The next five years will be about driving innovative and disruptive food-system change, executing investments, and realising the growth trajectory of the businesses with which we partner. We have a long-term horizon and aim to add significant shared value to not only Tiger Brands, but to the entrepreneurs and founders who are leading the investee companies.

But as with every great journey, we are taking it one step at a time.

■ ***How, if at all, has the pandemic affected the health and nutrition industry?***

Our research highlighted that even before the pandemic, wellbeing as an entire category was a leading consumer focus globally, as consumers have a greater understanding of the importance of physical, mental and emotional wellness to lead more fruitful lives.

The pandemic has accelerated this growth, and for health and nutrition in particular, food and beverages need to deliver on key consumer needs such as immune boosting, gut health, energy sustenance and mood enhancement, to name a few.

■ ***How, if at all, has the pandemic affected how consumers see their health, and their purchasing decisions relative to health and nutrition? Would you say people are more discerning around what they buy and that they are more inclined now to read the labels to ensure that what they're ingesting is of a good quality and will support their health?***

The pandemic has resulted in an increased focus on immunity, stress management, mental wellness and it has led to new

dietary habits. What is of particular importance to Tiger Brands' Venture Capital Fund, is that health and nutrition has become a lot more of an imperative and much more relatable.

Our investments within categories such as plant-based foods are to democratise products which have previously been perceived as only for the affluent, and the more investments within such categories, will help them increase capacity, grow, and ultimately drive down pricing and become more affordable. This will take some time but it is not too far off.

“Chanel and Davey started Herbivore Earthfoods in 2014 to make plant-based foods more accessible & affordable to SA consumers. [@TigerBrands](#)

VCF is a proud investor in Herbivore & excited about partnering with the team to build a more food-secure future.

<https://t.co/hC53CqtSsx>— Tiger Brands (@TigerBrands) April 5, 2022 ”

■ **Within this context, how is the Health and Nutrition industry growing? What trends are you seeing in the Health and Nutrition industry that are particularly aligned with the Tiger Brands' ethos?**

I see the African plant-protein market, of which South Africa represents 57%, is estimated to grow at a compound annual growth rate (CAGR) of 6.5% to \$560.62m by 2023.

■ **Could you mention two more similar trends you're seeing? What is driving these trends?**

The Global Wellness Institute has estimated the global health and wellness industry to be worth \$4.5tn and continuing to grow. Although difficult to quantify, consumers' habits around wellbeing across Africa are moving in much the same direction as global trends.

A good example is the Tiger Brands State of Nutrition [report](#), which is part of Eat Well Live Well, found that a third of South Africans avoid sugar, which signals that consumers are becoming more aware of the crippling impacts of poor eating habits such as consuming too much sugar.

Affordability remains a challenge though, particularly in South Africa when we break down the number of households that are currently reliant on government grants to survive, and food inflation impacting the core basket of goods. Therefore, the democratisation of health and nutrition, and increased investment in this segment of the market will be key in ensuring affordability.

■ **How has Tiger Brands had to adjust accordingly, or set a precedent in this focus-area? How does this trend impact how you choose which companies in which to invest?**

As Africa's largest food producer, health and nutrition is integral to our corporate purpose to nourish and nurture more lives every day.

This is an important pillar of Tiger Brands' Venture Capital Fund, and so we have responded in a practical way to ensure we continue to drive value, and sustainably address consumer nutrition and nourishment needs.

ABOUT KATJA HAMILTON

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