ERP Solutions for the Indian Cooperative Dairy Industry
Cooperatives’ Mission: Give farmer ‘the best price’ for his milk and consumer ‘value for money’ for the product

- Assist member societies & unions with fertility improvement and animal health programs
- Deliver on the key promises of the Coop. brand – quality, value for money and availability
- Support farmers to increase milk production
- Drive continuous product innovation and expand milk processing capacity
- Interface directly with customer through milk parlours and showcase entire range of products to the consumer to create demand
- Enhance business performance of the distributor – ‘the real marketing manager’
IT enables the “Cow-To-Consumer” value chain to improve end to end operational efficiencies that can drive business benefits.

**Milk Collection System**
- Milk Collection
- Input Services
- Society Accounting

**ERP at DU + BI**
- Milk Procurement and Dispatch
- Production Planning and Scheduling
- Society Maintenance
- Input Services

**ERP at Federation + BI**
- Orders and Dispatch
- Pricing and Promotions
- Planning and Forecasting
- Marketing and Brand Management

**Distributor Mgmt System**
- Operations
- Crate Accounting
- Finance and Credit Management
- Replenishment Orders

**Parlour PoS**
- Customer Billing
- Inventory
- Orders

**Integration Layer**
- Village Societies
- District Unions
- Federation
- Depots/Warehouse
- Distributor

**Analytics Layer**
- Consumer

**Input Services**
ERP Automates the Internal Functions

- Develop
- Plan
- Procure
- Manufacture
- Fulfill
- Service
- Market
- Sell

- Customer Relationship Management
- Supply Chain Management
- Manufacturing
- Finance
- Projects
- Human Resources
... And Extend The Automation
Across your supply chain
Key Benefits

- Standardized and Integrated Process
- Reduced Planning Cycle time and response time.
- Better visibility into supply chain
- Credit/policies enforcement
- Scalable Robust Flexible Technology Platform
- Optimize on IT management costs
- Standards based technology
- Improved IT productivity
- Cost Reduction
- Strategic Decision Making
- Customer Responsiveness
- Better Decision Support due to Real time data availability
- Enables faster growth of business
- Protection of Stakeholders interest
## Potential Improvement

<table>
<thead>
<tr>
<th>Milk Processing</th>
<th>Improvement Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Manufacturing Execution Efficiency</td>
<td>5 - 7 %</td>
</tr>
<tr>
<td>Reduced Maintenance and Spare Parts Inventory Levels</td>
<td>10 - 15 %</td>
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<tr>
<td>Improved Manufacturing Control Through Enhanced Traceability</td>
<td>10 - 15 %</td>
</tr>
<tr>
<td>Reduced Production Loss Due to elimination of packaging and Cattle Feed Raw Material Stock-out Occurrences</td>
<td>8 - 10 %</td>
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<table>
<thead>
<tr>
<th>Procurement</th>
<th>Improvement Range</th>
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<tbody>
<tr>
<td>Reduce purchase cost on packaging materials and federation purchases</td>
<td>3 - 5 %</td>
</tr>
<tr>
<td>Reduced procurement spend on cattle feed procurement through better sourcing practices enabled by E-sourcing – E-auctions</td>
<td>2 - 3 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supply Chain</th>
<th>Improvement Range</th>
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<tr>
<td>Optimize Transportation &amp; Logistics spend</td>
<td>1 - 2 %</td>
</tr>
<tr>
<td>Reduce Loss Sales</td>
<td>30 - 40 %</td>
</tr>
<tr>
<td>Reduced warehouse/cold storage maintenance costs and improved operations management efficiency</td>
<td>15 - 20 %</td>
</tr>
<tr>
<td>Reduced Depot Level Finished Goods Inventory Levels (One Time)</td>
<td>3 - 5 %</td>
</tr>
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<tr>
<th>Finance, Reporting and Compliance</th>
<th>Improvement Range</th>
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<tr>
<td>Improved Financial Management Efficiency</td>
<td>25 - 35 %</td>
</tr>
<tr>
<td>Improved Profitability Due to Integrated Business Planning and Reduced Time on Report Generation</td>
<td>2 - 3 %</td>
</tr>
</tbody>
</table>
Functional Requirements

- Cattle Feed Plant
- Chilling Centers
- Maintenance & Utilities Functions
- Milk Procurement and Billing
- Production Operations
- Semen Station Management
- Subcontracting Operations
- Transportation
- Veterinary Services
- Budgetary Control
- Business Intelligence Reporting
- Cooperative Services
- Finance and Accounts
- Human Resource Management
- Insurance & Treasury
- Payroll
- Production Planning and Control
- Purchase
- Quality Assurance
- Sales and Sales Accounting
- Asset Management
- Advertising & Promotion
- Dispatch Planning
- Distribution and Network Planning
- Market Planning
- Product Complaint
Requirements to Implement Traditional ERP solution

Top Management Vision & Support
- Resources
- Change Management

IT Infrastructure
- Server
- Data Center
- Storage
- Desktops

IT Application
- OS / Databases
- Application Licenses
- Implementation

IT Infrastructure Support
- IT Service Desk
- Desk Side Service
- Network Services
- Data Center Services

Application Support
- Application Management
- Master Data Management
Alternatives

• Traditional On-Premise Application based implementation.
• Cloud Service Based SaaS based Model.
• Adopting an Open Source ERP for our set of Requirements.
## High-Level Evaluation of ERP Implementation Options

<table>
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<tr>
<th>Criteria</th>
<th>Relative Comparison</th>
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<tbody>
<tr>
<td></td>
<td>Traditional ERP</td>
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<tr>
<td>Solution Complexity</td>
<td><img src="image" alt="Evaluation" /></td>
</tr>
<tr>
<td>Ability to Support Faster Deployments</td>
<td><img src="image" alt="Evaluation" /></td>
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<tr>
<td>Overall Cost</td>
<td><img src="image" alt="Evaluation" /></td>
</tr>
<tr>
<td>Implementation Timelines</td>
<td><img src="image" alt="Evaluation" /></td>
</tr>
<tr>
<td>Support Complexity</td>
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</tr>
<tr>
<td>Ability to leverage leading practices from industry and each other</td>
<td><img src="image" alt="Evaluation" /></td>
</tr>
<tr>
<td>Time to Full Benefit Realization</td>
<td><img src="image" alt="Evaluation" /></td>
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</table>
“Design Once Implement Many” Approach enabled by Template based ERP Implementation will ensure Rapid Time to Value

- Understand the operating model at Federation level and District Union level for all business entities in scope
- Identify clusters of Federations and District Unions based on common processes
- Define the Master set of all common processes for each cluster of Federation and District Unions
- Develop the Template that covers common processes for each cluster of Federations and District Unions
A Template defines the common processes, data structures and standards for a cluster of Federations and District Unions.

The Template and Local Requirements combine to form the process blueprint for each business entity.

Global Template Design and Development

- Define common processes
- Define data standards and data structures
- Define common interfaces and reports
- Define local variations for process, data, interfaces and reports
- Perform fit/gap analysis for template decision
- Design and develop template on the ERP of choice

Local variations to be allowed for
- Legal requirements
- Tax & Statutory requirements
- Market specific customizations
- Local Interface requirements
Implementation of the Cluster template at Federation and District Unions

Template Localization and Rollout

Localize the Template developed for the cluster of Federation / District Union as per the local requirements and rollout to the respective Federation or District Union in the cluster.

Planning & Initiation

Initiation and planning for local rollout approach at the Federation / District Union

Solution Preparation

Select the list of processes relevant for the Federation / District Union based on the Business needs

Fit/Gap Analysis

Add additional processes / changes due to local regulatory and market Requirements

Build & Test

Design the localizations into the template As required for the District Union / Federation & build and test the solution

Final Preparation

Prepare for the deployment in terms of data, training, etc

Go Live

Phased Go-Live

Hypercare

Monitoring Phase before transition to sustain phase

Implementation timelines will vary based on the size and complexity of the Federation and the District Union

Template based approach helps speed up the overall implementation timelines
Large Program Governance Mechanism Requires Centralized Direction, Local Empowerment and Core Team for Effective and Efficient Execution

**Executive Steering Committee**

**Core Team**
- Strategy & Planning
- Manage Change and Communication
- Solution Architecture
- Central Program Management

**Change Control Board**

**Local Teams (per business entity)**
- Local Change Management
- Local Project Management
- Local Implementation Team *(From the Implementation Factory)*

**ERP Center of Excellence**

**Implementation Team**
- Functional *(Process, Configuration)*
- Application Development *(Application, Report, Interfaces)*
- Training *(Training Plan, Training Content)*
- Data Management *(Data Mapping, Creation, Conversion)*
- Change Management *(Training, Communication, Value Realization)*

**Central Support Team**
- Configuration & Application Support

**Central Infrastructure Team**
- Infrastructure and Operations Support

*Participation from Federations and District Unions*
*Participation from Systems Integration Partner*
Thank You