

IBM Dairy Solutions

# REVOLUTIONIZING DAIRY INDUSTRY THE SMART WAY



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*Indian Dairy industry is at the threshold of a major revolution to enable the country to be self-sustained in Milk and Milk Products.*



## INDUSTRY CONCERNS

### Typical challenges in Dairy and Dairy Products industry

#### Procurement

- Challenges in meeting seasonal spike in demand
- Ability to measure quality of procured milk - at source - societies / chilling centres / BMC's
- Managing complex logic of payment based on FAT, SNF and quantity of milk received
- Ability to keep track of truck and tanker routes - viewing, monitoring and payment - route / distance based
- Stock outs of raw materials halting production
- Expiry of raw material due to lack of visibility on shelf life related information

#### Production and Standardisation

- Manual or excel based processes followed for milk standardization calculation
- Handling production planning based on non standard raw material
- Addressing growing food concerns from consumers and traceability
- FAT accounting and effective tracking of FAT lost in the production process

#### Sales

- Managing variable pricing conditions and have the ability to work backwards from MRP
- Inventory management across multiple depots across the country
- Shelf life management of finished product in distribution chain
- Crate management and reconciliation

#### Budgeting and Financials

- Challenges in arriving at accurate milk valuation
- Batch wise cost analysis
- Product wise profitability
- Meeting local legal and fiscal requirements
- Improving administrative activities efficiency

#### Others

- High upfront and ongoing IT investment
- Leveraging IT to get business benefits non existent
- Discontent with current offerings
- IT talent shortfall



## DAIRY SOLUTION BY IBM

IBM GBS, by virtue of having worked with large dairy manufacturing companies across the globe and India is proud to announce the launch of IBM Dairy Solution on a Subscription-based hosting model.

Subscription-based hosting (SbH) is a new delivery option by IBM targeted at the dairy industry that has been developed on SAP platform. Under this model, a customer pays one time implementation fee and a quarterly subscription fee.

The solution is hosted and managed by IBM on a two, three, or four-year term, thus helping customer to focus on performing operations in the core business. The customer buys licenses as he grows and not everything upfront.

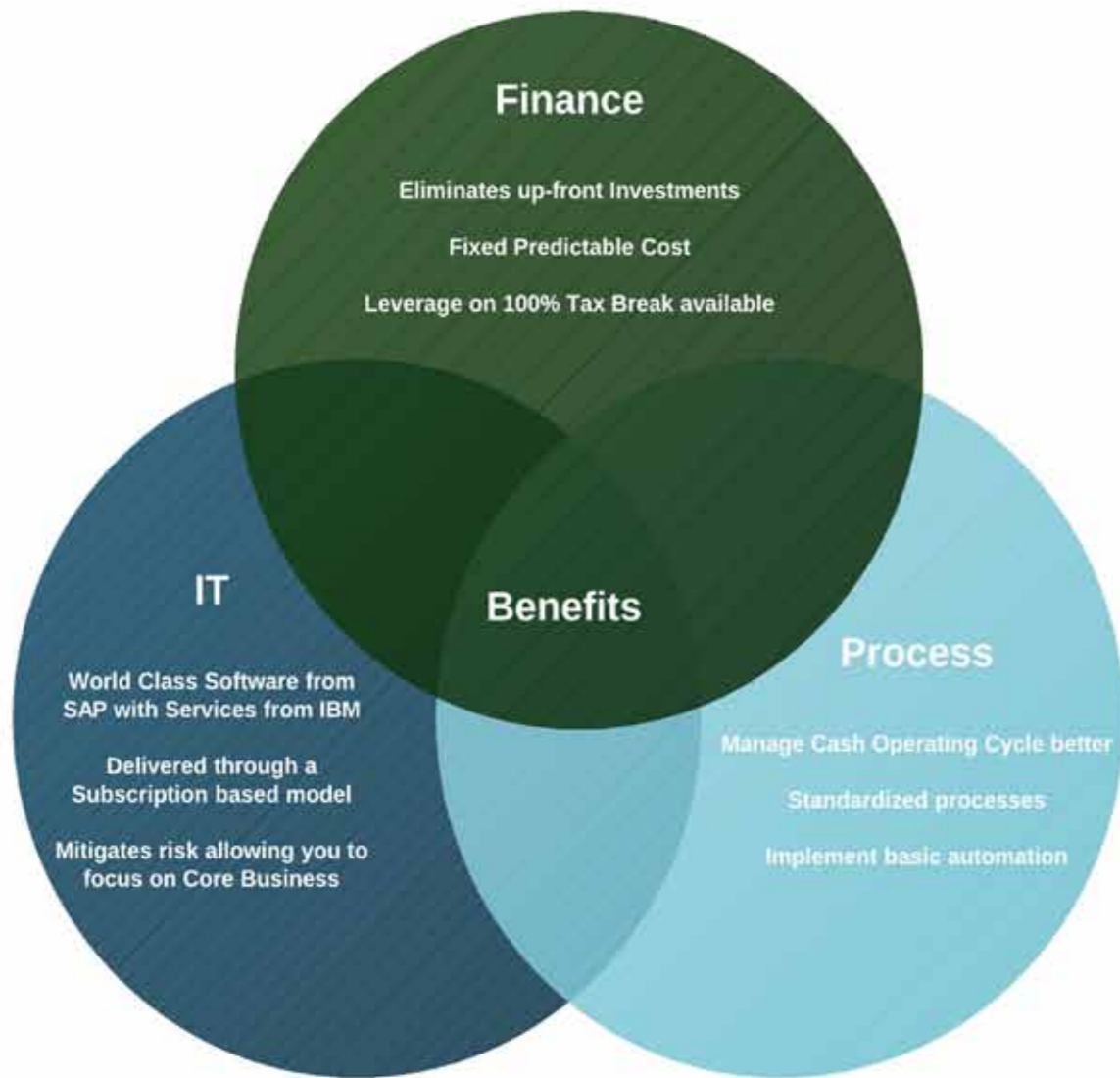
### The offering includes:

- Pre-configured dairy solution developed by IBM on SAP ECC6.0 configured for the customer
- SLO driven sustain services (L1/L2/L3 application support)
- Infrastructure management services in terms of operating system and database management done at SAP certified Data Centre
- SAP Enterprise Support
- Robust data security and privacy policies and procedures in place

## KEY PRODUCT FEATURES

<h3>Milk Procurement</h3> <ul style="list-style-type: none"> <li>■ Integrated planning between sales, production and procurement</li> <li>■ User friendly screens provided to capture milk reception with milk quality parameters like FAT and SNF for milk type at agent level</li> <li>■ Capture data with regard to agent / transporter / route</li> <li>■ Automatic calculation and payment to agents based on actual receipts (FAT, SNF and quantity)</li> <li>■ Integrate price matrix for receipts and payments to agent</li> </ul>	<h3>Production and Standardization Process</h3> <ul style="list-style-type: none"> <li>■ RM - FAT Requirement planning based on finished goods requirement is available on a real time basis</li> <li>■ Suggesting right Silo / Tank with quantity for the end milk-product FAT content to be achieved to improve operational efficiency</li> <li>■ Dynamic recipe formulation before production execution (FIFO)</li> <li>■ Inventory accounting of FAT content across all milk products and process</li> </ul>
<h3>Sales &amp; Outbound Logistics</h3> <ul style="list-style-type: none"> <li>■ Sales processes enabled for different types of customer groups - distributors/ institutional/modern trade/parlors</li> <li>■ Pricing models worked out based on backward pricing from MRP. Multiple levels of discounts / statutory taxes/surcharges / freight / payment terms is available</li> <li>■ Incentive calculation done based on volume / value basis for each transaction without manual intervention</li> </ul>	<h3>Financials and Budgeting</h3> <ul style="list-style-type: none"> <li>■ FAT and SNF based inventory valuation considering all the costs incurred in milk procurement</li> <li>■ Tightly integrated with milk procurement, purchase, sales and production process</li> <li>■ Profitability analysis is available at product wise / customer wise / segment wise</li> <li>■ Indian Taxation like VAT, TDS, service tax, excise duty, e-filing is available</li> <li>■ Sub-ledgers are fully integrated with main ledger and real-time information for receivable and payables is available</li> <li>■ Better manage fixed assets, calculate depreciation (as per IT act and as per Company Act) as required</li> </ul>

## BENEFITS



For more questions, please feel free to reach out to

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