

IBM Dairy Solutions

TRANSFORMING INDIAN DAIRY

It was a “White Revolution”; a revolution that converted the Indian Dairy Industry into the world’s largest milk producer, contributing 13% to the world’s milk production. They say necessity is the mother of invention and in this case it was the rising per-capita income of the country without commensurate milk productivity, which threatened the nation to actually look at importing milk. And it was this necessity that became the prime driver of growth.

The present though, is challenging. While innovation through automation has been incorporated, the key lies in scaling up to meet surging demand. The question is to bring solutions that do more with less and keep costs that can be managed. There is a dire need to scale up demand forecast, procurement process, production planning, control and scheduling and create an efficient supply chain management system which drives productivity.



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 / BMCs
- 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 Standardization

- 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



- 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 efficiency of administrative activities

Others

- Low IT adoption in the industry
- Lack of industry specific IT solutions
- Challenge to attract and retain the right IT talent

DAIRY SOLUTION BY IBM

IBM Global Business Services (GBS), for long has been helping Dairy manufacturing companies around the globe. And now, it proudly announces the launch of its latest Dairy Solution in India, the IBM Dairy Solution.

Targeted at the Dairy Industry, the new offering from IBM is developed on SAP platform. Under this model, a customer can quickly start up and run the solution in a period which is much shorter than the standard implementation.

With the launch of this solution, Dairy manufacturing companies, both private and co-operative can now manage their supply chain systems in an efficient and cost effective manner.

KEY PRODUCT FEATURES

Milk Procurement

- Integrated planning between sales, production and procurement
- User friendly screens provided to capture milk reception with milk quality parameters like FAT and SNF for milk type at agent level
- Capture data with regard to agent / transporter / route
- Automatic calculation and payment to agents based on actual receipts (FAT, SNF and quantity)

- Integrate price matrix for receipts and payments to agent

Production and Standardisation Process

- RM - FAT Requirement planning based on finished goods requirement is available on a real time basis
- Suggesting right Silo / Tank with quantity for the end milk-product FAT content to be achieved to improve operational efficiency
- Dynamic recipe formulation before production execution (FIFO)
- Inventory accounting of FAT content across all milk products and process

Sales & Outbound Logistics

- Sales processes enabled for different types of customer groups - distributors/ Institutional/modern trade/parlors
- Pricing models worked out based on backward pricing from MRP. Multiple levels of discounts / statutory taxes / surcharges / freight / payment terms is available
- Incentive calculation done based on volume / value basis for each transaction without manual intervention

Financials and Budgeting

- FAT and SNF based inventory valuation considering all the costs incurred in milk procurement

- Tightly integrated with milk procurement, purchase, sales and production process
- Profitability analysis is available at product wise / customer wise / segment wise
- Indian Taxation like VAT, TDS, service tax, excise duty, e-filing is available
- Sub-ledgers are fully integrated with main ledger and real-time information for receivable and payables is available
- Better manage fixed assets, calculate depreciation (as per IT act and as per Company Act) as required

BENEFITS

World-class software:

- Leading implementation partner of ERP and SAP across the world
- IBM Dairy Solution helps mitigate risks associated with implementation of SAP initiative
- Build on industry best practices

For more information, please reach out to

B S Nataraj

natarbs1@in.ibm.com

+91 9483204072

Tapan P Singhal

tsinghal@in.ibm.com

+91 99455 63257

S P Ravishankar

s.p.ravishankar@in.ibm.com

+91 9880103703

Balaji Laxman

balaji.laxman@in.ibm.com

+91 9880297910