



Challenges faced by The Dairy Industry: How can Digital Transformation help?

The Dairy Industry combines the complexities associated with the food processing industry, the FMCG/ Distribution industries on the marketing and sales end of operations, as well as the unique challenges posed by the agro- industry on the procurement cycle.

- Given that the raw material and end product is perishable the operations and cash turnover cycles in the dairy industry are a daily affair.
- “Collection centre” are set up in villages to source milk, which must then be transported to “chilling centre” and processed to create a stock of milk powder. Milk and milk products are then produced and distributed, all within 24 hours.
- Quality tracking also plays an imperative role throughout the operations cycle.
- Daily forecasting of demand becomes an essential factor in preventing wastage and losses.
- Seasonal variations also play a huge role in the dairy industry as production of milk speeds up during the winter while demand for milk and milk products fall, and vice- versa.
- The process of creating a stock of milk powder during surplus supply months and liquidating it when demand dictates necessitates the need for effective stock and inventory management.
- For businesses that sustain only on the sale of milk, entering into the production of value added products (Dairy products), whose demand is more or less stable through the year and that sell with higher margins can potentially insulate them from seasonal fluctuations of market demand

[Affordable Business Solutions](#) has enabled the Dairy Industry to address business challenges for over 12 years. Our strong understanding of the Dairy business has been embedded in ABS Baadal - an Industry Vertical Solutions for the Dairy Industry that includes a suite of pre-configured ERP/ CRM/ Business Analytics solutions offered on the Cloud Computing model. ABS also offers business consulting to enable you to embrace LEAN/ Global Manufacturing Excellence practices.

To manage operations, a leading Dairy and Dairy products company was using an in-house developed, standalone ERP application. However, with time, the limitations of a standalone application posed a threat to growth. It also risked non-compliance with government regulations. By upgrading to [ABS Baadal](#) the company has found that,

- Automated processes has minimized costs associated with collection, production, and distribution
- information flow has improved data integrity and significantly reduced duplication and effort, improving operational efficiency
- Streamlined processes has enabled fair payment ensuring vendor loyalty
- Better planning and control for next day sales, procurement, and distribution
- Efficient tracking of day-to-day billing (invoices), receivables, and sales allow complete financial visibility required for business decision

Share your thoughts and responses on [ABS Linked-In](#). To inquire about our services, mail us on absbaadal@abs.in. Learn more about our clients and how they've overcome their business challenges [here](#)

