

IIU CANADA



We Innovate

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**BUSINESS IMPROVEMENT SERVICES FOR OPTIMUM PROFITS  
INDO-CANADIAN JOINT VENTURE  
(Associate of International Improvement Mission)**



We Serve

“GOOD NEWS FOR DAIRY BUSINESS ENTREPRENEURS”

IBI INDIA



We Improve

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IBI-2018

15.05.18

Chairman/Managing Director/C.E.O.

Dairy Business Entrepreneurs of India

**Subject: Win-Win Proposition for Ethical dairy plants (Indian dairies can easily go global)**

I.B.I. Company has carried out deep probe and “S.W.O.T.” analysis of dairy business in India.

**OUR WEAKNESSES:**

- 1 Hidden loss in Milk purchase transactions due to manipulation, adulteration and dilution ({M.A.D) is abnormally high {more than 20% purchase value of raw milk}.
2. Middlemen/service providers siphoning out more than 50 % of profit margin in dairy business.
3. Abnormally high total milk handling cost and gap between farm gate price and consumer price for pasteurized milk (>Rs.15 /Kg.)
- 4 Quality of dairy products not strictly meeting with specified international norms relating to purity of contents, microbiological safety and shelf life.
5. Gross violation of statutory laws and regulations by unethical entrepreneurs in dairy business
6. Absence of product traceability between cow and consumer and accountability for production/marketing of substandard milk /dairy products.
- 7 Lack of awareness among milk producers and consumers for evaluating on the spot true worth of milk being traded.

IBI Company through investment of considerable time and money developed scientifically logical, arithmetically accurate Milk Procurement and Dairy Business Management System

(D.B.M.S.) Called “APNI DAIRY” to skilfully tackle all core issues/unresolved techno-commercial problems mentioned above and being faced by dairy business entrepreneurs.

Digital hydro analysis of one-month milk purchase transactions of a premier dairy institution in north India conducted recently by our associated company in Canada indicate hidden loss of more than Rs. 1.50 crore per day (> Rs.7.50/ Litre) only due to dilution and manipulation (assuming no adulteration other than added water used for manipulation).

As per our survey and research findings, no dairy plant in India is immune to such losses and total amount of these losses on all India bases would work out as an astronomical figure. We have authentic documentary/video evidence to substantiate our claim and contention mentioned above.

We have designed result oriented interactive training program for dairy professional executives to acquire required skills for accomplishing following objectives with simple implementation tasks and effectively monitored/evaluated management interventions.

1. How to work out net loss (Rs./Kg.) due to dilution and manipulation in milk purchase transactions using digital analytical technique and “ APNI DAIRY” software available on our website: <http://www.apnidairy.com> (free download)?

2. How to modify prevalent milk billing system (60:40 two axis formulae for purchase of buffalo milk /  $\frac{1}{2}$  and  $\frac{2}{3}$ rd empirical formulae for purchase of cow milk and changeover to 100 % accurate scientifically logical C.L.R. based formulae for calculating  $S.N.F. = C.L.R./4 + 0.2 \times Fat + C.L.R./100$  to work out true worth of B.M., C.M. or mixed milk (diluted or undiluted) for completely eliminating menace of hidden losses in milk purchase transactions due to dilution and manipulation?

3. How to purchase absolutely pure milk without any adulteration using five simple tests that can be conducted on the spot by milk procurement staff under prevalent field conditions?

4. How to bring in 100% transparency and accountability in milk purchase/local sale transactions and introduce system of cashless transactions (from milk producers to milk plant)?

5. How to process, pack and market 100% pure cow milk or 100% pure buffalo milk using solar/biogas energy using recyclable packing materials attaining shelf life of two/three weeks under refrigeration for pasteurised milk and one year without refrigeration for sterilised milk for marketing the same in local and global markets.

Ethical dairy plants in India with the help of spear head team of professional executives

trained by us can easily eliminate prevalent hidden loss of Rs.7-8/Kg. in milk purchase transactions now being suffered by majority of dairy plants especially those located in north India. Besides it capacity utilisation of their dairy plants will improve by 20%-30% due to procurement of undiluted raw milk meeting with international quality requirements.

#### OFFER FOR COMPREHENSIVE CONSULTANCY/ADVISORY SERVICES

All contents of our offer and recommendations will emerge from the following assumptions:

VISON GO GLOBAL: Glass of pure milk meeting with international quality requirements for everyone, every day, anywhere at globally competitive but reasonable price.

MISSION GO GLOBAL: Establish chain of state of the art dairy plants in India procuring pure raw milk directly from milk producers, produce pasteurized milk and other value added dairy products strictly conforming to international specifications in terms of purity of contents, microbiological safety, shelf life and deliver the same to consumers on their doorsteps through consumer-friendly marketing network.

GO GLOBAL STRATEGY: Eliminate all middlemen form conventional value chain and replace them with service providers financially and otherwise accountable to the company for ensuring cost effective business operations.

GO GLOBAL POLICY: Company will follow transparent ethical policies for dealing with milk producers, consumers, employees, service providers and general public.

#### SCOPE AND OBJECTIVES (MILK PORCURMENT)

SCOPE: The procedures of the department will cover procurement activity for purchase of raw milk at competitive rates as per business needs of the company from target group of ethical milk producers, ensuring good quality of milk (without adulteration, dilution or manipulation) and provide technical inputs to them in a cost-effective manner.

#### OBJECTIVES:

- 1 Create sound farmer friendly infrastructure to procure good quality milk directly from milk producers (eliminating all middlemen) as per "APNI DAIRY" system.
- 2 Simultaneously Introduce supplementary milk procurement system (with sound analytical testing and scientific monitoring) for procuring milk of acceptable quality standards through selected bulk suppliers for supplementing milk procured directly from milk producers through "APNI DAIRY" system.

## 2. MILK PROCUREMENT:

Milk procurement activity has following three critical prime performance parameters:

- 1 Quantity of milk procured (Total milk solids)
- 2 Quality of Milk (Microbiologically safe raw milk without adulteration, dilution or manipulation)
3. Total milk handling cost (From milk producers to dairy plant in Rs. / Kg. milk solids)

We have carried out deep probe and analytical research on different milk procurement systems being followed by AMUL, state milk co-operatives, multinational companies, private dairy plants and milk contractors in unorganised sector in India. Summary of our findings clearly indicate that original "Anand Pattern" system conceived and implemented by Dr. V. Kurien in Anand milk union was relatively more result oriented and cost effective as compared to other systems followed by others.

Modified shortcut and distorted version of this system now being implemented by many state milk cooperatives (those suffering financial losses) and private dairy institutions in different states are not only a risky proposition but least cost-effective system.

Unfortunately, none of these systems in the situation now prevailing in India is suitable for procuring raw milk on commercial scale strictly meeting with internationally specified standards for purity of contents (without dilution, adulteration and manipulation) and microbiological safety. Producing pasteurized milk or value-added products meeting international quality requirements for purity, microbiological safety and shelf life still remains a distant dream for majority of dairy business entrepreneurs in India.

More than 80% cost of dairy business is value of raw milk purchased by dairy institutions. Success and failure in dairy business thus largely depends on this prime activity. Keeping this in mind we have designed a unique system for procuring raw milk directly from milk producers. This system titled "APNI DAIRY" is based on unconventional concept of informal co-operatives (N.G.O.'s), farmer friendly policies, fool proof organized system for purchasing pure raw milk without any dilution or inter-mixing of buffalo milk with cow milk. It not only eliminates almost all middlemen from the value chain but works in a cost effective and self-governing manner thus helping the beneficiary institution to drastically reduce its milk procurement/processing costs. "APNI DAIRY" system incorporates positive features of all successful models and eliminates inherent draw backs in those systems that could become hurdles in successfully achieving three prime objectives mentioned above.

Service providers deployed for milk collection, chilling and transportation of milk to dairy plant get reasonable remuneration for their service contribution while remaining fully accountable for milk contents in their custody while milk remains in transit, like cashiers handling cash for banking operations.

Unique advantage of “APNI DAIRY” system of milk procurement is that dairy plant will get assured regular supply of pure and safe raw milk ideally suitable for producing dairy products conforming to international quality requirements. Comprehensive detailed document containing micro details covering all aspects from concept to commissioning including three level HR staffing pattern, duties and responsibilities for each assignment, standard operating procedures, system approach for developing milk procurement network in milk shed area, effective pricing system , benchmarks for key performance parameters, monitoring and evaluation formats etc. is I.P. our company and our business associate M/S Improvement Innovations unlimited Inc. Canada .This company for providing techno-commercial support to “APNI DAIRY” system of milk procurement has designed ‘Dairy business management software “ Doodh Ka doodh aur paani ka paani”. This software serves as effective monitoring tool in the hands of management executives to control hidden losses in milk purchase transactions and is the first of its kind to tackle age old major unresolved problem of Indian dairy industry relating to intermixing of buffalo milk with cow milk and added water “

We can only share micro details of this system with you and your dairy professionals if our offer is finally accepted by you for implementation on the basis of mutually agreed commercial and allied terms and conditions.

Comprehensive system professionally drafted and documented by us will not only meet all your business requirements but so designed to focus on the following prime management objectives:

- 1 Achieve specified goals and objectives with in shortest possible time span while consuming minimum financial and allied resources.
- 2 Deploy minimum manpower strictly as per functional needs by mainlining clear line of responsibility and authority.
- 3 Link monthly remuneration, perks and fringe benefits with actual achievement of budgetary targets relating to prime performance parameters.
- 4 Professionally designed performance evaluation system may be introduced and implemented as integral part the documented milk procurement system.
- 5 Concept of “Management for Results” may be introduced and implemented in all functional departments for optimising performance results.
- 6 Marwari Concept of “PARTHA” may be introduced for maintaining 100% transparency in in financial accounting so as to eliminate hidden losses.

## HUMAN RESOURCE DEVELOPMENT AND TRAINING:

In modern era of cut throat global competition, human resource development and training plays key role in optimising utilisation of available resources and achieving time bound targeted goals and objectives. NDDB also created spear head teams (group of competent trained professionals) for replicating original “ANAND PATTERN” in different states.

We recommend comprehensive training program covering all aspects from concept to implementation for core group (comprising of about ten professionals who will be responsible for implementing unique “APNI DAIRY” system of milk procurement and technical inputs program in your specific milk shed area.

### CUSTOM DESIGNED TRAINING PROGRAM FOR CORE GROUP OR SPEAR HEAD TEAM

Program will be conducted in module sessions of 2-hour duration each spread over a period of three/ Six months. Each session will have specific learning objectives, professionally designed class room training cum coaching methodology; group discussion and question answer session to clarify basic concepts and implementation procedures.

While attending this training program based on I.S.O. concept; participants under our professional guidance will also write chapter by chapter their own “MANUAL FOR MILK PROCUREMENT AND TECHNICAL INPUTS” incorporating micro details of “APNI DAIRY” system in letter and spirit. This documented manual can subsequently be used by our client company as a working guide containing specific inside the box work instructions for effective implementation and evaluation of correlated performance parameters. Participants would also be given specific practical assignment tasks to be performed by them in actual field conditions prevailing in your specified milk shed area. Group leader among these participants will remain constantly in touch with us through telephone and internet for expeditiously sorting out difficulties or problems if any faced by them while executing these assigned tasks. Our expert guidance and technical support would always be made available to them for successful implementation of this professionally designed program.

Depending upon I.Q., learning ability and work attitude of professional participants selected by your company, at the end of this intensive coaching and field training program your company will have competent and confident spear head team to successfully achieve specified Mission goals and objectives.

Note: We can also incorporate any amendments or modifications in this training program as per your specific requirements or suggestions.

Please watch our video presentation on impact of manipulation & dilution in milk purchase transactions on you tube link: <https://youtu.be/O-STFm8ig6U>

Please feel free to seek any additional information or clarification related with this presentation.

Valuable comments from professional executives working in your organisation on this presentation would be appreciated and gratefully acknowledged. As a goodwill gesture we can carry out ( free of cost) digital hydro analysis of your one month milk bills ( summary) and let you know hidden loss in milk purchase transactions only due to dilution and manipulation (Assuming no adulteration except added water). Any professional executive logically proving our calculations pertaining to hidden losses in milk purchase transactions as arithmetically wrong or not logical as per 60:40 two axis formulae in vogue, would be entitled to claim a prize of Rs. One lac as already announced by our organisation on our website.

You may contact us on our email link below for communication with us:

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Assuring to you our result oriented services

(Jaswant Singh Bhandair)

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