



The Computerworld Honors Program

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Final Copy of Case Study

Year:

2013

Status:

Laureate

Organization Name:

Engro Foods Limited

Organization URL:

www.engrofoods.com

Project Name:

EMAN – Engro Milk Automation Network

Category:

Economic Development

Please provide an overview of the nominated project. Describe the problem it was intended to solve, the technology or approach used, how it was innovative and any technical or other challenges that had to be overcome for successful implementation and adoption. (In 300 words or less.)

EMAN means “faith” in Urdu and stands for Engro Milk Automation Network. The Engro Foods Limited (EFL) milk procurement network is spread over 135,000 km² across Pakistan. A unique aspect of the network is that Engro Foods procures milk from 120,000+ dairy farmers, 90% of which belong to the bottom of the pyramid. EMAN was implemented in order to create a way to generate instant information about all the milk procurement done in the field and to give way to economic development in the deep rural areas of the country and also safeguard the interests of the dairy farmers. Before EMAN, the farmers supplying milk to EFL’s Milk Collection Centers (MCCs) had to face significant challenges, since all record was manual, which required two days of travel to get to the accounts

department. Due to this manual process, the system was prone to errors and farmers as a whole had to face severe repercussions in the form of lack of transparency, denial of fair price and delayed payments. The implementation of EMAN across Pakistan gave way to automation. A network of 1400+ POS machines was deployed across the milk shed. Magnetic cards were provided to suppliers, locations and routes. A back-office system providing MIS reporting and payments processing was also developed to ensure accurate and timely payments. The solution offers real-time capturing of milk collection at the source, better controls, accurate and comprehensive analysis and an ecosystem for rural development. The biggest challenge was the deployment and management of the POS network, considering the literacy level on the field. Over 10,000 man-hours were required for deployment, along with 4000+ man-hours of training. Offline data storage on POS ensures that no transaction is lost when the network is down.

When was this project implemented or last updated? (Please specify month and year.) Has it incorporated new technologies and/or other innovations since its initial deployment? (In 300 words or less.)

The project pilot was done in January 2010. Rollout began in April 2010, and implementation throughout the shed was completed in September 2012, due to extensive geographical coverage required. However, this is not the end of EMAN; it's only a fresh start. EFL is already taking EMAN to the next level. The people in deep rural parts of Pakistan have to travel an average of 10 km in order to open a bank account, pay their utility bills or even get mobile top-ups. Since EMAN has its presence in deep rural areas and has a POS machine network on ground, the technology can be enhanced further to include branchless banking transactions at the Milk Collection Centers (MCCs) in order to provide all these services to the farmers at their door steps. The branchless banking project is in its pilot phase currently. It is being carried out in Sahiwal District at 7 MCCs and has recruited 60 farmers to date. Each of them has been provided with a wallet bank account card in collaboration with a local bank. These farmers can now withdraw their milk payments by swiping their wallet bank account cards at the MCC's POS machine. The bank card not only reduces the travel time, but helps them to save money without the worry of it being stolen. The next phase of pilot will provide utility bill payment and mobile top-up facility to the recruited farmers, against their milk payment. This will help improve the lives of the farmers by providing accessibility, affordability and availability. A complete commercial launch for the branchless banking operations will take place in 2013.

Is implementation of the project complete? If no, please describe the project's phases and which phase the project is now in. (In 300 words or less.)

Implementation is complete.

Please provide at least one example of how the technology project has benefited a specific individual or organization. Feel free to include personal quotes from individuals who have directly benefited from the work. (In 300 words or less.)

EMAN has helped 15-year-old Jannat from Arifwala, as she no longer has to wait for her father to return to the fields to deliver milk to the nearby Milk Collection Centre (MCC). Jannat's family completely trusts the technology, and knows that they will receive a printed receipt for their sale, a fair and transparent price for the milk supplied and timely payment against it. They do not hesitate to send their daughter to the center knowing that she could not be cheated by anyone and will be offered the fair price. "Engro has changed my life completely. EMAN is all about faith. I have faith in this system." Remutullah from Sahiwal is a 75-year-old man who used to supply milk to a competitor to Engro and had to often face challenges in respect to the payment due to him by the company, due to manual transactions. After EMAN was implemented, he started supplying milk to Engro and to date has been a consistent supplier. He has full faith in the technology now, and thus was even the first branchless banking customer of Engro for its pilot project.

Would this project be considered an innovation, a best practice or other notable advancement that could be adopted by or tailored for other organizations and uses? If yes, please describe that here. (In 300 words or less.)

EMAN can be considered both an innovation as well as a notable advancement. EMAN is innovative because it is the first time in Pakistan that such a deep rural POS network is established in order to automate the milk procurement. EMAN is a notable advancement, as other players in the industry are still recording milk purchases manually. EMAN has not only helped develop the trust of the rural people in technology, but also has helped enable fair, transparent and timely payments to EFL's suppliers. Moreover, through its establishment, Engro was able to start a pilot project to introduce branchless banking. This is the first time in Pakistan that a FMCG has collaborated with a bank in order to bring branchless banking to the masses. Engro is looking for ways to enhance the system further, so that not only can the rural people of Pakistan be provided cash withdrawal, utility bill payment and mobile top-up services at their door step, but also economic development could be enhanced by providing the farmers micro-



loans, micro-insurance, agricultural and veterinary training and above all education, against their milk payment due on Engro.

If there are any other details that the judges should know about this project, please note them here. (In 300 words or less.)

EMAN has already been recognized by the international community and has won the following local and international awards: 1) PASHA ICT Award for e-Inclusion and e-Community in October 2011; 2) Asia Pacific ICT Alliance Award for e-Inclusion and e-Community in November 2011; 3) ICAP Professional Excellence Award in March 2012. The milk procurement business of EFL also won the G20 Challenge for Inclusive Business Innovation, held in Mexico in June 2012.