PROF. RAHUL DE'
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# iD Fresh: Delivering Freshness Every Day[1]

*Making Idli/Dosa batter is not rocket science. We do not have many innovative processes in our organization. But using systems and processes helps us get consistent outputs, and we have done a pretty decent job of it.*

– Musthafa P C, CEO, iD Fresh Foods

January 2015, P.C. Musthafa got the first market research report from the firm he had hired to study iD Fresh Foods' growth potential. Till now, iD's popularity and success had been due to their stringent quality control and customer service. iD Fresh had revenues of Rs. 63 crore[2] (USD 10.5 million) in the year 2014-15, and was aiming to reach Rs. 1000 crore (USD 160 million) by 2020. The success had predominantly been due to word-of-mouth, store campaigns and point-of-sale (POS) postings, without any focused marketing effort from iD.

With the Rs. 35 crore (USD 5.6 million) infusion of funds through the second round of funding in Sep 2014, iD was poised for the next phase of growth. Musthafa had several options for expansion before him. He could expand in the retail market, where their business model was well-tested, by improving the marketing and/or by having a presence in more geographies. iD could also expand into the business-to-business market where they currently had a limited presence by supplying to restaurants, canteens and catering organizations. But Musthafa had to consider whether the business model, human resources, and the process and systems that supported critical functions like production, sales and distributions could scale.

## COMPANY PROFILE

iD Fresh caters to the retail consumer markets with its ready-to-cook (RTC) food products - the idli and dosa batter (idli and dosa are popular South Indian breakfast items); and semi-cooked wheat flour and all-purpose flour parotas (Indian bread used in most meals). They started with the manufacture of the wet-ground idli and dosa batter and then moved on to the Malabar (all-purpose flour) parota and wheat parota. With success in the ready-to-cook products, in 2010, they tried packaging and selling wheat flour, all-purpose flour, semolina (suji) and appam (a thin, dosa-type preparation) mixes, but failed. By 2011, they had even experimented with ready-to-eat (RTE) Kerala products such as achappam (rose cookies), pettiappam (diamond shaped chips) and appam, which they eventually discontinued. Recently, in the second half of 2014, they forayed into related accompaniments to their main RTC products such as tomato chutney, coriander chutney and chapatti (see Appendix 1 for the products). They have been successful in the retail market and have built up a popular brand identity based on the quality of their products.

From the first day of their operations, iD Fresh founders focused on three things – quality, service and brand, which have helped them achieve their success. The details of each of the factors are:

- Quality - "Fresh, natural, the way you make it at home." Their focus was on preparing batter in a home-made style that was hygienic, with 100% natural and authentic ingredients and provided fresh every day.
- Service – "Right product on the right day every day." The retail stores were provided with a daily service. iD uses a daily refreshment model where the old stock is taken back and fresh items, of all their products, are delivered every day.
- Brand – "Customers should specifically ask for iD." The focus has always been on creating a brand for their products.

iD Fresh was started by Musthafa and his cousins, Nazer, Shamsu, Jafar and Noushad. The cousins came from very humble, rural origins. Musthafa is the only one among them who has a professional background with a degree in engineering and an MBA. He quit his well-paying job in the IT industry to join iD in 2007. The other founders have been instrumental in introducing new iD products, while Musthafa brought in the processes and systems into the business. In the mid-2000s, Musthafa's cousins, with their previous experience of running mom-&-pop stores, sensed the market for the ready-to-cook batter based on the growing urban population and increasing number of double income families in Bangalore. There was a need to reduce the time taken to prepare home cooked meals, especially breakfast, while maintaining the quality.

The cousins identified idli/dosa as their product and initially tested the market by supplying to 10 stores. When they reached 100 kgs per day from these stores, they decided a market exists and they could scale up to deliver 5000 kgs per day. A quick market research in 2007, by Musthafa and his MBA classmates revealed that there was a market for 2000 kgs per day. Over the next 8 years the market grew 15 times to 30,000 kgs of batter a day in Bangalore, which amounts to about 700k idlis a day, of which iD's share was about 550k idlis. (Exhibit A and B give the details of the growth of iD Fresh.) Musthafa felt that they had identified a gap in the market – a need for fresh ready-to-cook products of good quality, and addressed it.

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## ESTABLISHING THE OPERATIONS

In 2007, iD moved to a new factory on the outskirts of Bangalore with a production capacity of 6000 kgs. Musthafa formally joined as CEO in 2008 and focused on building robust operations. To meet their objective of "100% natural, authentic and fresh" in a perishable product, the operational processes and innovations had to meet the challenge of an almost zero inventory, while pushing for growth. Adhering to their principle of freshness and service, iD built their own distribution system to enable the daily refreshment model. The deliveries were made every day to retail stores on various routes by the sales team. The refrigerated delivery vans moved out of the factory at 5:30 am. At each store on the route, the sales person replenished the stock for all the products after discussing with the store manager; picked up near-expiry packets that he replaced and collected the cash for the new items. The sales person decided the next day's requirements for each store and called in to the factory and placed the order on the phone. The orders for the next day could be placed by 12 noon. The orders were consolidated and a buffer of 5% was added to finalize the production quantities for the next day. The buffer covered any extra orders which the sales team could place by end of day. If the buffer quantity was not used the next day, it was included into the subsequent day's orders. "Ours is a simple van sales model. Our boy goes to the store, he decides on the spot that he has to give 10 packets and delivers it. There is no order taking, and the invoice is generated on the spot and the payment collected." Hence a lot depended on the salesperson and Musthafa' comment on how it worked was – "it was like magic".

In the initial days, the daily refreshment model resulted in huge store returns. Though the batter tasted best when it was 4 days old, customers did not pick it up after 3 days. So iD built a reverse logistics model. iD picked up the near-expiry packets and gave them to their business market customers like hotels and canteens, who are high volume consumers, at cost price. iD had worked out arrangements with several small business customers who accept 5 to 10 packets per day. The van salesman delivered the near-expiry packets to the business customers near the retail outlets on his route. The arrangements with these small business customers were usually "only if available" delivery. For some business customers iD had to deliver fresh packets in case there were no near-expiry packets, as they had not agreed to the only-if-available condition. In case there was no signed-up business customer en-route, the near-expiry packets were returned to the factory. These packets were loaded on to different routes the next day for delivery to other business establishments. The reverse logistics helped iD reuse 30-40% of the market returns and contain the damages to 22%.

iD had a few large retail chains such as Reliance Retail, Nilgiris, etc. as their business partners. iD had co-branded it's products with the Nilgiris grocery chain in South India (the packet has Nilgiris and iD printed on it, see Appendix 1). As part of this, Nilgiris provided access to the inventory levels of iD products across its stores. This data helped iD get an idea of the potential for its products across cities in South India.

Batter making is a laborious process which requires prior planning when made at home. The rice and lentils, in a fixed proportion, are cleaned and soaked for at least 8 hours (usually overnight). The wet-grinding to ensure the right consistency needs the right amount of water and coarseness. The batter is then allowed to ferment overnight. Manufacturing batter to ensure home-made quality can be a challenge. The standard wet grinder can make 1Kg in 1 hour. When iD reached a stage where they were using 15 to 20 grinders per day they were not able to scale further due to the constraints in their production technology. Issues like maintaining the grinders, hygiene requirements and labor required were the deterrents. For a production scale that consumes 2000 litres of lintels per day, working 8 hours per day would have involved using 250 small wet grinders. They explored other options like powdering the lintels instead of wet-grinding, but this affected the quality. The food processing technology in India was predominantly obtained from other countries. Though manufactured locally, the designs are obtained usually from Germany. "...unfortunately Germans don't eat idli/dosa". iD developed most of the processing technology and flow in-house using common sense and experience. They got their machinery custom developed through a US-based firm that made machinery for manufacture of mustard sauce, another high volume wet-ground food product. The new grinders could wet-grind 1000 kgs of lintel per hour and "self-sterilise at the touch of a button". In January 2015, iD's batter-making was about 80 % mechanized and the new packaging equipment they planned to procure would make it 100% mechanized. The parotas were still handmade, as trying to get the various layers (laccha) was not easy.

## PRODUCT INNOVATIONS

iD products have a very short shelf life, as they are fresh products made without any preservatives and additives. The products had to be manufactured in the same location and delivered fresh every day. One company had approached iD with a method by which the fermentation could be controlled and arrested at a certain specific point before shipping. This would ensure that customers always got the same quality of output i.e. the softness of the idli. But this involved adding some external chemicals. Another option to make softer idlis was proposed that involved adding some seeds. Though natural, Musthafa said "This is not the way my mom makes it at

home. Right now, sometimes the idlis come out harder as the batter does not ferment due to the cold climate. But so be it."

Some of the innovations explored adding value to the end customer. They designed a packaging material that limits bacterial infection and retains the freshness of the parotas. A special re-sealable pouch shaped like a boat was designed so that the batter could be used directly from the pouch and stored after use. They have filed for a patent for the pouch design [Appendix 1], that says:

> Our products are positioned so that they reach the kitchen and not the dining table. The home maker makes her own value addition or customization – the final touch. If the end result is good she gets the credit, but for some reason if the product comes out bad, iD takes the blame. It is very important for her to cook at home. When you cook at home, it gives an aroma which gives an appetizing taste.

## SYSTEMS AND DATA

From the early days, iD tracked all its data meticulously, using spreadsheets. They used MS-Excel extensively. Data related to daily sales, damage/wastage data (i.e. unsold items returned from the market), productivity per kg, etc. were tracked. iD had a contribution margin of 50% for several years for their products. In 2008, they procured Tally, a popular accounting package used by most Indian small businesses. From a single license, they moved to a server license and used it as an ERP. All data such as sales, adherence to Bill-of-Materials (BOM), productivity per vehicle, etc. was tracked in Tally. The deliveries and cash were reconciled, and account books closed on a daily basis. In 2010 when the company faced a commercial tax default charge, they found it difficult to provide the required information. While the post-2008 data was available in Tally, the pre-Tally years' records were in paper forms. Entering the data into the system and getting the required reports and records was very difficult. Musthafa says, "…it was a waste of time, which could have been avoided." They took two years to submit the required data and the case was decided in their favour in 2014. Musthafa's advice to entrepreneurs and start-ups:

> Don't compromise on a system; bring it in from day one. That's the mistake that I did.

By 2012, though iD was doing well on sales, Musthafa did not have visibility to the store-level data and analysis. They had 22% unsold damage from the market, which was high. According to their business model, they replaced whatever was unsold in the retail store, but this was hurting them badly. What was going wrong? How could they control the market returns? Musthafa used his IT industry experience and worked with Mobisy (a local IT services firm) to develop a system. Mobisy had a mobile based system that catered to traditional fast-moving-consumer-goods (FMCG) businesses. The FMCG sales and distribution process was very different from the process iD had built. In traditional FMCG, the sales person goes to a store, takes the order data and at the end of day the order is invoiced in the system; the next day or a couple of days later the delivery person picks up the package and delivers the order to the store. In the van sales model of iD, everything had to be done within the day. The order-taking and delivery were not separate activities but done on the spot. Musthafa got a mobile GPRS-based app developed through Mobisy. This app enabled data capture in real time by the sales person. Store-wise sales and damage data was entered SKU-wise (SKU is a unique identifier for each distinct product) and day-wise at the time of sale, and captured in real time in the server. This was used for order tracking and data analysis.

With the ability to analyse data at various levels of granularity, iD introduced sales targets and wastage limits to bring in more discipline among the salesmen. The salesmen, based on their goals, were now more careful about the number of packets they delivered to the store, and hence the order they placed to the factory. (A very high number of packets delivered would mean a high return later, a smaller number of packets would lead to a stock-out condition at the store that the store manager would highlight.) This reduced the market returns to 10 %. Further data analysis lead to more control mechanisms and in 2 years' time iD was able to bring about a dramatic reduction in wastage from 22% down to 2% for batter (to 9.5% for parota). With the wastage down to 2%, iD stopped the reverse logistics process. The reverse logistics was beneficial only if there were large market returns. Whenever iD enters a new region, they implement their reverse logistics till the returns reduce to about 4%. The 2 % wastage was due to other issues that were beyond iD's control such as improper storage of the batter at the retail outlets. This would need more awareness and education at the store. The mobile app gave excellent results in controlling waste and reducing the reverse logistics process. Even the order entry became real-time and was entered directly into the system by the salesmen instead of their phone-in orders and subsequent data entry. For iD's business it was critical to have real-time data as this enabled the production plan for the next day. Mobile phones are the most important communication device within iD. In addition to the app used by the sales team, iD makes extensive use of WhatsApp on the phones. Whatsapp has improved communications considerably. iD staff have formed different groups, and post regular updates on what is happening. The sales team constantly posts summaries from the mobile app, pictures of store level promotions and interesting information on WhatsApp. These pictures are uploaded to the system and used in tracking the impact of store-

level campaigns. Through these pictures on Whatsapp, Musthafa and his team get a real-time visibility to the store-level campaigns and product positioning without having to do physical inspections and visits.
Mobile has also helped in improving the route planning. When iD started expanding in Bangalore the vehicles were added incrementally and no thought was given to routes. There were routes that were crisscrossing each other; there were cases of one van servicing seven areas when other vans were also passing through these areas. In Quarter 3 of 2014, iD did a complete re-routing in Bangalore. They superimposed the geo-tagged information of each delivery van onto the Bangalore city map to identify how the route was being traversed. Having identified the criss-crosses and duplicates, they re-planned the routes using the classification scheme used by the Bangalore City Municipal Corporation (BBMP). BBMP divides the city into 8 zones and 192 wards. Using this concept, the routes were planned such that each van catered to 1 to 3 wards depending on the ward size and avoided crisscrossing with other routes.
iD has created a small presence on Social Media such as Facebook and Twitter. Its Facebook page has more than 24000 likes for its postings. iD posts recipes, updates on its products, and photo contests. Since Jan 2015, iD had started limited marketing efforts through its Facebook page - posting videos, banners and posters.

## EXPANSION CHALLENGES

iD Fresh raised their first round of funding in 2012 from Sapphire Capital. They started expanding to other cities and within 2 years had a presence in 8 cities. With the rapid expansion to new cities and factories in 2012, it became difficult for Musthafa to track the new regions on various metrics like BOM, payments, productivity, etc. When iD had a single factory selling a single product, he was able to manage with Tally and some extra analysis in Excel. But with expansion to 8 locations with multiple products, a decentralized hierarchical organization structure was evolving, and it was impossible to get all the data and analyze it on time. Data related to production planning, materials stock, etc. were also not available. This was creating issues in the production process. When new people were brought in to manage the factories, it was noticed that there were cases when production was getting restricted owing to raw materials not being available. iD placed orders directly with suppliers at each location and some of these items had to be ordered one week in advance. For example, iD used rice-bran oil in making parotas. Rice-bran oil was not easily available in the market and needed to be ordered in advance. There were situations when orders could not be placed in advance as data was not readily available.
In September 2013, the management team took a decision to implement SAP, an extremely bold decision for a start-up. Nine months later at a cost of Rs. 20 lakhs (USD 320k), iD went live with an on-premises SAP B1 (the small business edition) (See Appendix 3 & 4 for SAP and ERP details). Musthafa mentioned several reasons for their decision. SAP was a proven system and had a good brand. It was easy to get people who were skilled in using SAP, whereas training people for other specific tools would not be easy. He was also not comfortable putting his data on the cloud. But the most important reason was the brand value of SAP. That carried weight with his employees, because then they started thinking big. It also carried weight with iD's business partners. Musthafa recalls how some of the large retail chains reacted positively when they heard iD was running SAP. The business partners became serious about their relationship with iD though it was a start-up. "SAP plays an important role, even though you can't quantify it. When I decided to raise funds, this was an important point for me to sell. Almost all of the investors mentioned it positively… So, even though a bold decision, it was a good decision we took." Currently, the sales data which is captured on the mobile app interfaces with SAP.
By the end of 2014, iD was slowly transforming into a professionally run business. They had moved into a new office in Q2 of 2014. Of the 650 employees, a majority worked in the factory and was not highly educated, and those working in the front office were new. Musthafa doubled as the IT Manager and had outsourced all the IT requirements like server maintenance, SAP implementation and support, etc., to local players.

## HUMAN RESOURCES

Musthafa stressed the importance of the people angle in iD's success and insisted that team work and empowerment were critical. Working together as a team was the key, right from beginning, when Musthafa and his cousins came on board, to being able to expand operations to various cities. They brought in Musthafa's engineering college classmates and family friends to manage the new factories. iD aims to provide opportunities, in their company, to people from rural areas around the locations in which they operate in India. As Musthafa stated it, they identified the "smart guys from rural areas who are unemployed."
There is a lot of dependency on the sales team's ability to decide the daily order for each store. Hence the compensation of the sales team depends on how they manage their route. "Every employee is a micro-entrepreneur". Each area sales team has to maintain their own profit-and-loss account for their delivery van and route.

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## COMPETITION AND PROCESSED FOOD MARKET

Musthafa was sure that the reduction in the wastage had made him remain competitive in a market which had low entry barriers. He was sure that a new player coming into the market would not be able to sustain the 20-25% wastage unless they entered on a large scale. Musthafa was of the opinion that large players in the processed food industry such as MTR, ITC or Nestle who follow a traditional FMCG distribution model may not enter this market immediately. Hindustan Unilever (HUL), which had a cold supply chain, had a small presence in the idli/dosa batter market under the brand `Modern.' Modern had tested the Bangalore market a few years back, but had withdrawn. Modern had a presence in Chennai, but the brand was not doing well. (See Appendix 2 for processed food market details.) The RTC/RTE food has a regional flavour which is evident from the rise of many local players in the market. There were many city-level brands in the idli/dosa batter market. Guru Ganesh, a brand which was in Bangalore till 2009, manufactured in a small scale to retain the home-made quality. They operated in a typical cottage industry model but were not able to sustain their operations. There is also a huge unorganized sector that supplies unbranded idli/dosa batter in South Indian cities. But retail stores that stock them raise concerns related to quality, hygiene and supply. Musthafa says there is a premium of Rs. 5 (USD 8 cents) in the price of their product that can be attributed solely to maintaining the hygiene requirements.

Some other products, such as bread, may appear to have a similar reverse logistics model, but Musthafa was quick to point out the differences. Though the bread distributors reverse pick the near-expiry products similar to iD, the product is handled differently. Some of them convert the bread to rusk (hard bread) which has a longer shelf life, while others sell it to local factories at a price, where it is used as cattlefeed or pig-feed. Some years ago, a national-level FMCG firm, who had their own range of RTE/RTC and frozen foods had approached iD with a very good offer to buy them out. The CEO of the firm had said that iD's business model was very interesting and with the FMCG's existing distribution channels it would be an asset to their business. Though the offer was very good, Musthafa did not take it as he felt iD would scale to be Rs 1000 crore (USD 160 million) business in a few years by expanding its geographical presence and products.

## NEXT STEPS

One of the expansion ideas on which the iD team was working on was the home delivery model, in which iD Fresh would deliver its products directly to households. Partnering with some of the online grocery stores like BigBasket.com is an option which Musthafa is experimenting with. Another market into which iD would need strong processes and systems to expand into is the B2B (business-to-business) market. Serving parotas to restaurants, which is a high volume business would need good production, sales, and distribution systems, as the ability to deliver consistent quality and quantity every day is very critical.

Using the data for the previous 2 years, Musthafa was very bullish on data analytics to help him with sales and production planning. He has plans to build a technology platform which can recommend the order quantity to the individual salesman at the store, predict the production requirements for the next day and also automatically place orders with the suppliers. All this is planned using the live-data feed from the mobile app into SAP, using an analytics tool. While Musthafa was very optimistic about the SAP implementation, he was sure he could build other systems and IT platforms which could make iD become competitive. He recalls:

> IT has not helped me become competitive, but it will help me become competitive. Till today, this is mostly a micro managed organization. I used to monitor and approve each and every item here, every expense needed my approval. This was a conscious decision, but with the expansion plan, it is very important we put systems in place. The way I see it, I want to see a P&L for each factory at the end of the day. We are putting together a team to work on these models and even looking at external expertise.

### ANALYSIS QUESTIONS

Musthafa's main challenge is to grow his business. In this context analyze the following issues:

1. iD's choice of an ERP: Is this a mistake? Should Musthafa have selected a cloud-based, possibly open source product? (Reference: Peng, G.C. and Gala, C.J. (2014) *Cloud ERP:* A *new dilemma to modern organisations?* Journal of Computer Information Systems, 54 (3).)
2. iD's use of social media: Currently iD is using social media minimally, should this be scaled up? Can the use of social media scale and provide value for iD?
3. Has IT really helped Musthafa become competitive? iD is in a market that has very low barriers to entry – will it be possible for them to hold on to their market share in future? How can IT help to fight competition?

4. What are Musthafa's challenges with managing IT? Is the manner in which he is running the operations scalable and in tune with his growth plans?
5. Is it feasible for Musthafa to scale up in both products and markets? Will his IT infrastructure support or hinder this?

## EXHIBIT A

| iD's Growth Through The Years | | | | | |
|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** |
| **Revenue (Crore of Rs.)** | 15 | 19.6 | 28 | 42 | 65 |
| **Employees** | 90 | 100 | 250 | 400 | 650 |
| **Locations** | 3 cities (Bangalore, Mysore, Mangalore) | 5 cities (Hyderabad, Chennai) | 8 cities (Mumbai, Pune, Dubai/UAE) | 8 cities | 8 cities |
| **Factories** | 2 | 4 | 6 | 6 | 6 |

**Source: Information provided by iD**

## EXHIBIT B

**Sales Figures**

- Idli/Dosa Batter sales in Bangalore - 10000 kgs (2010), 15000 kgs (2011), 25000 kgs (2014)
- Batter sales volume almost doubled in 2 years
- Quarter-wise Sales volume of Company level Idli/Dosa Batter (in million kgs) is given below

| | **Q1** | **Q2** | **Q3** | **Q4** |
|---|---|---|---|---|
| **2014-15** | 52 | 59 | 61 | 64 |
| **2013-14** | | 44 | 45 | 47 |

**Source: Information provided by iD**

## APPENDIX 1


**Figure 1: iD's products**

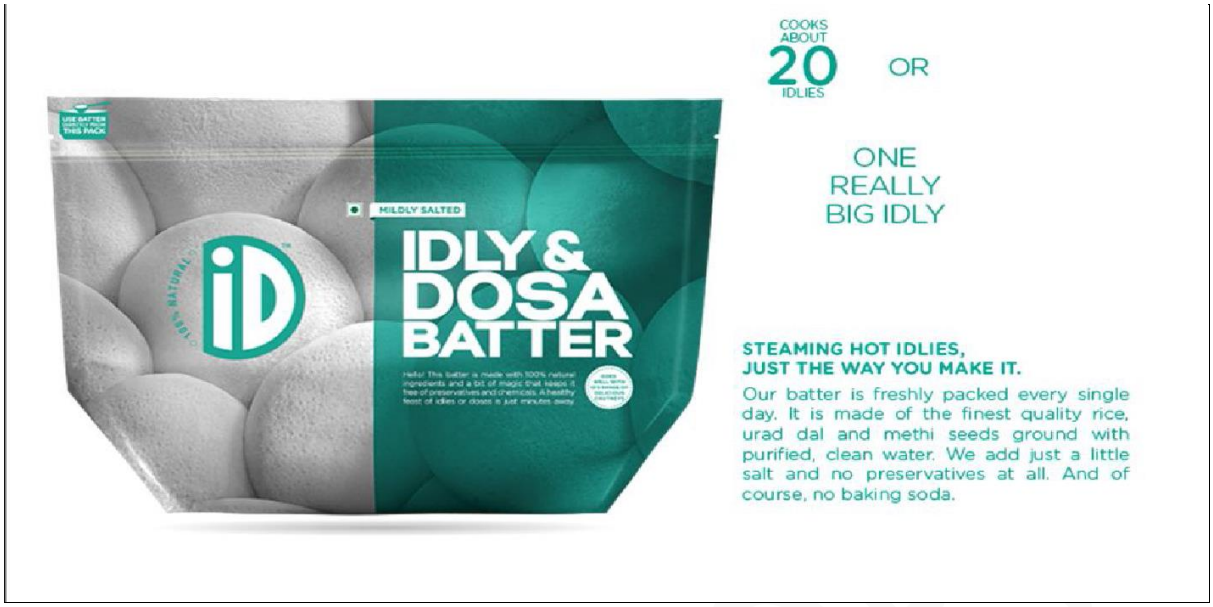


**Figure 2: iD's batter packaging design (applied for patent)**

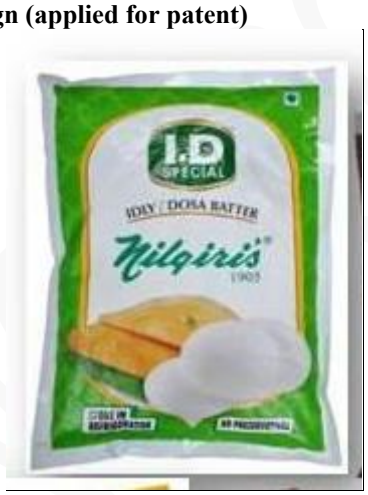


**Figure 3: iD-Nilgiris Co-branded product**

## APPENDIX 2

## Food Processing Industry

The food processing industry in India is ranked the fifth largest in terms of production, consumption, export and expected growth and contributes to 1.5% of India's GDP [1]. The Ministry of Food processing (MoFPI), considers the following sub-sectors in food processing – Dairy, Fruits & Vegetables, Grains & Cereals, Fisheries, Meat & Poultry, Consumer goods. The FPI is dominated by unorganized players (42%) and the small-scale sector (33%) with only around 25% share by the larger corporate sectors [1]. The food services industry which includes the eating-out and take-away establishments (restaurants, fast-food places) are not included in the above category.
The ready-to-eat (RTE) and ready-to-cook (RTC) market, which is considered under the consumer goods segment, is considered a high-growth sector. The RTE & RTC packaged food category is estimated to be Rs 2,000 crore (USD 320 million) in size [2]. This business is considered a niche market and characterized by high volumes and low margins. Innovative and attractive packaging and product usage are important success factors as brand loyalties tend to be low in these processed food categories [3]. The changing demographics, increasing time constraints among the urban population are growth drivers for the ready-to-make products.

The consumer goods sub-category is made up of the following products:

- Snack foods, Namkeens (salty foods)
- Biscuits

- Beverages – alcoholic & Non-alcoholic, packaged drinking water
- Ready-to-eat – bread, instant noodles, soups, ketchup, jams, pickles
- Ready-to-cook – gravies, batter, ready-mixes
- Frozen food ( non-meat)

## APPENDIX 3

### SAP

SAP ERP solutions for small businesses and midsize companies include SAP Business One (on-premise, on-demand or mobile deployment), SAP Business ByDesign (on-demand cloud-based), and SAP Business All-in-One (on premise). In addition to the ERP portfolio, SAP offers cloud solutions for every line of business (HR, Procurement, Finance, and Sales, Service, and Marketing) and analytics to meet industry-specific business needs. SAP prices its software solutions based on functionalities or modules required, number of user licenses and the type of user licenses. Hence the pricing is a complex process. Companies can buy more licenses as they grow, but it also implies their hardware infrastructure should be designed for scale.
*SAP Business One* is a single integrated end-to-end product for small businesses and subsidiaries of large enterprises. It is SAP's most affordable entry level ERP solution with a starting price as low as $7000 for one user, including licensing and implementation. SAP Business One is sold only through SAP's business partner network. SAP claims an implementation time in the range of 2-4 weeks for this product.

## APPENDIX 4

### ERP Implementation

The past several years of ERP implementation experience across organizations and industries indicate the following as the critical success factor [4]:

| | |
|---|---|
| • Top Management Support | • Project Team Competence |
| • Interdepartmental Co-operation | • Clear Goals and Objectives |
| • Project Management | • Inter-departmental Communication |
| • Management of Expectations | • Project Champion |
| • Vendor Support | • Careful Package Selection |
| • Data Analysis and Conversion | • Dedicated Resources |
| • Steering Committee | • User Training |
| • Education on New Bus, Processes | • Business Process Reengineering |
| • Minimal Customization | • Architecture Choices |
| • Change Management | • Vendor Partnership |
| • Vendor Tools | • Use of Consultants |

| **Top 10 risk factors in ERP implementation [5]** | |
|---|---|

| Priority | Name |
|---|---|
| **1** | Lack of senior manager commitment |
| **2** | Ineffective communications with users |
| **3** | Insufficient training of end-users |
| **4** | Failure to get user support |
| **5** | Lack of effective project management methodology |
| **6** | Attempts to build bridges to legacy applications |
| **7** | Conflicts between user departments |
| **8** | Composition of project team members |
| **9** | Failure to redesign business process |
| **10** | Misunderstanding of change requirements |

## SOURCES

[1] Various Sources quoting MoFPI, Government of India (GoI)
[2] Retail advisory Technopak
[3] "Food Processing: Market & Opportunities" IBEF report 2007.
[4] Somers, T.M., and Nelson, K. 'The Impact of Critical Success Factors across the Stages of Enterprise Resource Planning Implementations'. *Proceedings of the 34th HICSS*, January 3-6, 2001,
**[5]** Huang, S., Chang, I., Li, S., & Lin, M. (2004). Assessing risk in ERP projects: Identify and prioritize the factors. *Industrial Management & Data Systems, 104*(8), 681-688.

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[1] The case has been prepared based on interviews conducted by the authors with the CEO, and the data and information shared by iD Fresh during those interviews. The support of iD Fresh CEO, P C Musthafa is gratefully acknowledged.

[2] 1 USD = Rs.63 as on 1 February 2015 ; 1 crore = 10 million.