Description:

My father runs an Agri-tech business as a wholesaler who procures seeds and pesticides directly from the company and distributes it among retailers who in turn sell it to the end user(farmers). My father has been relying on data, has been making data driven decisions and has been using data analytics in his business for more than 27 years even without knowing what exactly data analytics is. I have assisted him in running the business occasionally, and I can completely relate the process of his business model with the data analytics process described in this course. Let's take this as an example, let's say he is selling agricultural products to various retail outlets in three different cities and he needs to increase sales for the products.

Plan

Firstly, he plans on the amount of stock(inventory of products) that he needs to order from the company. He makes a list of the products he might need, like farming equipment, pesticides for weeds and moths, fertilizers for commercial crops, vegetables, flowers etc, along with their pricing, previous sales records, current inventory and stock demand.

Prepare

He checks his accounts, for the money he needs to order from the company. He makes a list of all his retailers, their revenue for each product and the money that has come in from previous sales of the product. If the money is enough to order the next stock, he moves forward with it, if not, he asks for a credit note from the company which he can payback after the sale of the product within a stipulated time.

Process

He checks data from previous years to see what products are sold more during which month. Say if it is monsoon, he must procure seeds, depending on crop rotation. Since we predominantly operate in South India, he will order commercial crops such as Jowar and paddy. Once rain subsides, he will order and circulate more fertilizers to help facilitate the growth of the crops and pesticides to protect those crops from weeds and moth infestation.

Analyze

In the process of analysis, he checks with his retailers if the previous instalment of stock has been sold. If they are, he makes an informed decision on the amount of products that need to be bought and the cost that will incur him while buying from the company. This decision is also based the current market trends for the sale of that particular product, it's popularity as compared to products of other competitors and the current weather conditions (monsoon cycle). If the previous inventory is still not sold, in that case, a plan of action is put forth to increase incentives the sell the product and offers are added on the MRP to boost sales.

Share

The same plan of action is communicated across to all the retailers. In this case, say if Paddy is doing well in 1 city and has been slow moving in other two cities, he will increase the inventory where it's selling fast, so demand can be met and in the other two cities where the sale of Paddy is low, he will reduce the MRP to boost sales and increase the incentives for selling the product to motivate his retailers to make more sales. Finally, once the inventory reaches the retailers, he keeps track of the sales trends and makes additional changes if need be.

Act

Inventory sent to the retailers will generate revenue, higher than previous months.