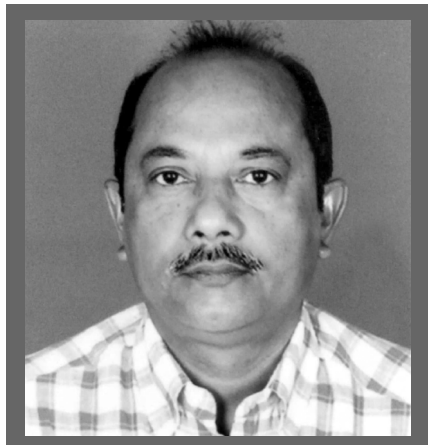




## conference presentations

# Establishing New Dairy Business in Eastern India: Keys to Success



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### Introduction

Any business needs attention and execution of combined knowledge of science & technology, arts & finance and management to govern the venture. Many of new dairy companies were opened in east & north east part of India but few of them are profitably operating, many of them ceased their operations. In a drive to establish a new dairy business for specially for new entrepreneur focussing to any part of Eastern India and to attain success, let me analyse few salient aspects :-

#### **Lack of trading experience**

Educational knowledge is very important but few things comes with experience only. One should know from where to purchase best quality products at competitive rates, manufacturing high quality products and best cost possible etc. are something to keep under consideration. It is advisable to grow steadily with experience.

#### **Huge initial investments**

Huge investments of funds in a dairy brings huge

liabilities and higher breakeven ratio. Failing to capture market in the right time may lead in bankruptcy. It is very important that the investments are well planned in accordance to the market scenario to avoid any unfortunate scenario.

#### **Quality raw milk**

Quality of finished product always depends on the quality of raw materials. If you do not have your own adequate milk procurement, you will be compelled to buy poor quality milk for onwards supply. Unfortunately, it does not meet the customer satisfaction hence a sale drop.

#### **Deployment of workforce**

Employees are the biggest asset of an organisation. Proper positioning of experienced officials is an important task. This leads to good work environment, brings positivity among all and leads to success.

#### **Logistic supports**

Logistics is one of the most important aspect in dairy. The product being highly perishable needs to be handled with utmost care. Let it be your procurement vehicles or may it be your distribution vehicle. Any disruption in the logistics will incur huge loss to the company.

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### Understand needs of customers

In today's world, the taste and need of the customers' changes very frequently. Selling products as per the needs of the customer is very essential. One should be very particular in positioning the right product to its customers. For instance, for customers who are into fitness, double toned milk is the best for them.

### Market survey

Inducting either self-finance or availing loan from financial institution, we usually tend to start a big factory with improper market survey. As a result, we might end up incurring high expenses. This will again invite great financial burden on the unit of a new business.

### Being self-sufficient

A dairy can walk by itself only when it is self-sufficient. From procurement till sales, only if the total cycle is managed by the dairy without depending on any third party intervention will surely bring success in the long run. Dependency brings cost, untimely deliver, poor quality of products and customer dissatisfaction.

### Payment to milk producers

Milk producers are the heart of any dairy. Good quality of milk is the main raw material of the firm. It is the duty of the dairy to take good care of its milk producers. Proper and timely payment brings confidence among the producers and continuous flow of good quality of milk is maintained.

### Analysis of financials

It is being observed that initially many promoters are unable to foresee hidden expenses. Cost factors such as cost on production, logistic, power, fuel etc. These results as a burden which is extremely tough to bring financial realisation in future.

### Learning from others

In any new business the management should be open to accept the good things from his competitors. In an open market, products of many brands are being sold and the consumer choose them accordingly. We should observe the ways and actions of leading brand and learn from them. Such as, how do they boost sale, respect consumer, market arrangements, follow legal rules etc. These observatory learning process should motivate and energise a new unit to work even harder.

### Quality of products

Product is the KING. No dairy can attain success if your quality is below standards. Consumers are very

much conscious about the quality of products. Poor quality of ingredients, compromising the cost, will decline the sale eventually.

### Value added products in time

Initially it is advisable to find out the simplest way for your journey. With confidence and market acceptability initiate to launch value added product. This enhances the brand value, gives boost to the distributors and also give sales growth.

### Family conflicts

Many times it is observed that a Partnership/Private Limited Company is formed among the members of the family. Unfortunate disagreement between family members leads to disrupt management views. In such situations, no body is available for crisis management and accordingly workforce in various discipline always remains confusing. Ultimately unit growth is hampered badly.

### Patience, confidence and hard work

Dairy business is not a fortnight game, proper dedication with hard work with lot of patience is the only key to success. There is no short term success in dairy business. Any milk business is a round the clock show and one has to be really passionate.

### Recognition of people's skill

Dedicated workforce of any unit is the strength and asset of the company. Neglecting to recognize one's skill respectfully & financially may create grievance. It is duty of the management to observe and recognise its employees to avoid unwanted layoff.

We at Red Cow Dairy have grown from the very base. Taking small steps at a time, hard work, honesty, management involvement in all departments has been few of the keys for success. We are currently handling more than 2.5 lakh litre of milk per day at Red Cow Dairy. We foresee good opportunities in the market. Brand Red Cow has always delivered the best quality products at a reasonable price in the market. We thank one and all for supporting us accepting our products in good faith. Red Cow Dairy Pvt Ltd. is growing with confidence.