

INDIAN INSTITUTE OF MANAGEMENT CALCUTTA

WORKING PAPER SERIES

WPS No. 727/ April 2013

Cheeni, a case of IT innovation

by

Priya Seetharaman Associate Professor, IIM Calcutta, D. H. Road, Joka P.O., Kolkata 700104 India Cheeni, a case of IT innovation

Indian Institute of Management Calcutta April, 2013

Cheeni, a case of IT innovation

This case has 'been This case has 'been Cheeni, 'was 'acquired 'by 'a 'large 'business 'group 'from 'its 'erstwhile 'foreign 'holders 'in 'the 'early '1980s. '`During' the time when 'it was 'acquired, 'Cheeni was 'seen 'as 'a 'struggling 'firm, 'rife with 'problems of 'inefficiency, 'internal' politics 'and 'high 'levels of 'wastage. 'The 'MG 'group 'which 'took 'over 'Cheeni,quickly 'turned' it 'around' to 'make' it ' a 'successful 'sugar 'business.'' The 'MG 'group is 'a 'conglomerate of 'many companies 'in 'diverse 'areas 'including 'engineering, 'farm 'inputs, 'sugar,'

The MG group is a conglomerate of many companies in diverse areas including engineering, farm inputs, sugar, confectionery, sanitaryware, abrasives, bicycles, plantations, bio products, information technology and finance with deals with over a

are small and medium

scale agriculturalists. "Two" reasons drive such a huge supplier base. "First, land holdings in India are highly fragmented. "Large agricultural land holdings were redistributed through land reforms and also through inheritance laws. "law1Tf.3310TD-041Tf.32460TD.mT41Tf5"

Cheeni, a case of IT innovation

ensures the availability of working capital at the requisite time interval ins

farmer after supply of the cane. "Cheeni keeps in close contact with the farmer after supply of the cane." Cheeni keeps in close contact with the farmer after supply of the cane. "Cheeni keeps in close contact with the cane." After a supply of the cane. "Cheeni keeps in close contact with the cane." field staff(CFS) and section officers. "Among the many roles played by the CFS, is that of monitoring and recording the various aspects related to cane growth, input provision, disease control, financial support, etc. With over a hundred thousand farmers from more than a hundred villages supplying the firm with sugarcane, Cheeni was compelled to look upon information technology as a viable tool to keep track of the large volume of information generated from the field."

W1B1Amuch

In this unique situation, Cheeni, experienced the need for an innovative IT application. Each of the company's factories is manned by CFS CARE APER AND A PERMIT AND A PERMIT AND A PERMIT CFS not only have intimate knowledge of rural India and have developed close relationships with farmers and their community, but are also often seen as one stop shop for information relating to various needs of the farmers themselves. CFS' primary role is to build these relationships apart from the everyday operational task of monitoring the growth of cane in the farms under their supervision and capturing this data in the system. Unlike developed countries, much of the field level processing of cane such as harvesting, collection etc. in India is manual. The risk of cane non availability is also mitigated by the company through its efforts to maintain commun.2806TD05T13907eAprox Rewith the

Cheeni, a case of IT innovation