



STRATEGIC BUSINESS PRACTICES FOR SCALABLE BUSINESS GROWTH OF MILLETPRENEURS

Dr. K. Muthumani¹

¹Assistant Professor, Dept. of Commerce, Idhaya College for Women, Kumbakonam

Email: mmshine27@gmail.com

Dr. Chitra Isac²

²Assistant Professor, Dept. of MA-HRM, Nirmala College for Women (Autonomous), Coimbatore

Email: chitraisac2020@gmail.com

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ABSTRACT

The year 2023 was declared as the international year of Millets by United Nations. IYOM brought to light many small scale and cottage industries engaged in producing millets products. The milletpreneurs need to scale their business to provide the much need food security. This paper highlights the sustainable business practices using secondary data for scalable business growth by the milletpreneurs. The study is explanatory and exploratory research. The findings and suggestions are supportive measures for milletpreneurs to convert their small-scale business to large scale industries providing growth opportunities for the Indian economy.

Introduction

The year 2023 was declared as the International Year of Millet by the United Nations. The International Year of Millet started off with great zeal and enthusiasm with lot of activities promoting the goodness of millets. Government and many non-governmental organisations organised many programmes to highlight the goodness of millets. This paved the way for many entrepreneurs to dish out innovative business ideas using millet recipes.

History of Millets

India is predominantly an agricultural nation; the wealth and richness of a person has been determined by the fertilized lands owned. This is clear from the rich Tamil literatures, highlighting the fertility of the land yielding prosperity to the citizens.

Maybe this fertility could have been due to the practice of crop rotation (is the practice of growing a series of different types of crops in the same area across a sequence of growing seasons). Reviews state that traditionally the farmers used 3 crops rotation each year- the crops mainly consisted of rice or wheat/ fruit or vegetable/ millet. Even in times of failed monsoons the millets helped the farmers to survive, as it consumes less water and supplied high yield.

With industrial and technological advancement, agriculture took a backstage. Technology paved the way for genetically modified crops and artificial manures for cultivation. The commercialization of agriculture reduced the cultivation of millets primarily in countries like India. The claimed has been vouched by Millet Man of India- Padmasree Awardee Dr. Kadar Valli. He is instrumental in reviving the production and consumption of millets in India, ever since his return to India in the year 1997. Dr. Kadar Valli's propaganda of millets has played a pivotal role in reviving of millets- as a healthy food. Indian Express proclaims him as an Unsung Hero leading a silent revolution towards a healthy living.

In his own word Dr. Khader Valli states that "Millets become a wonderful weapon in your blood to wipe out all kinds of diseases."

Background to IYOM

The year 2018 was declared as the National Year of Millet by the Government of India, to spread awareness on the health benefits of millets and to renew the consumption of millets. Sighting tremendous success with the revival of a healthy lifestyle through millets, the Indian government proposed to the Food and Agriculture Organisation of UNO in the year 2021 to declare the year 2023 as the IYOM. UNO adopted the resolution and declared the year 2023 as the IYOM, primarily for the following reasons:

CombatClimate Change→ Jacqueline Hughes, Director General of International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), says, as the world becomes increasingly aware of the negative impacts of climate change, millets are gaining attention as "future crops".

Transformations of Drylands → Giving an example of ‘kodo millet/rice’, Dr. Kadar Valli said one kg of this millet can be grown with only 150 litres of water, whereas growing one kg of rice consumes about 8,000 litres of water. “This same huge amount of water can produce about 30 kgs kodo rice. Moreover, each kg of millet can feed ten people, while one kg of rice can feed only five,” he stated.

Jacqueline Hughes explained that the millets are hardy, salinity-tolerant, and can grow in drought-prone environments with poor soils, even in temperatures up to 50 degrees Celsius, they minimise the risk to farmers and communities.

Solution to the crisis of Micronutrient Deficient → Israel Oliver King, Director, Biodiversity at the MS Swaminathan Research Foundation (MSSRF) states that staple crops such as rice, wheat and maize cannot solve the crisis of micronutrient deficiency. Millets, on the other hand, are known to have a range of nutritional benefits. Millets are gluten-free, low glycaemic index, and a range of nutritional benefits.

Milletpreneurs

Milletpreneurs – a word coined by Shri. Naredra Modi, Prime Minister of India; are those people who have built a business over millets. In this article the milletpreneurs are broadly clarified as Producers, Processors and Product Developers / Providers.

Producers → the producers consist of the farmers cultivating millets. Generally, millets are cultivated by small farmers. They are elated with the sprouting demand for millets and the surplus they are reaping through the cultivation of millets.

Millets provides the farmers with food for consumption, fodder to feed their cattle and fuel to run farming equipment.

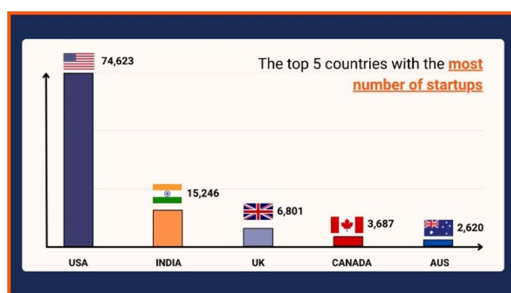
Processors → the demand for millets has enabled in mushrooming of peripheral activities, ranging from manufacturing of farming equipment – for reaping, sieving, harvesting. to food processing units like grinders, crushing machines, packing materials and e-commerce providers.

Product Developers / Providers → these are the milletpreneurs who are doing B2C business. They manufacture foods, savouries, health mix and a variety of products using millets.

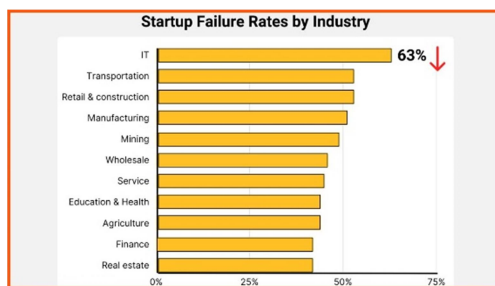
These milletpreneurs plays a vital role in sustaining the use of millets from the plains to the plates. The use of millets should not fade away but should continue to grow and supply much needed healthy living.

Problem

Most of the milletpreneurs are young and relatively new to business environment. Their millet-based startups have tasted success with the support of government, business houses and NGOs over the past five years in India. But studies states that many startups have been mushrooming in all the sectors of economic activities in India over the past decade. Apparently, India is the second country next only to USA to have ventured with 15,000 plus startups last year.



But sadly, the scalability rate is very less. Most of the startups fade away within a period of five years. And only about 33% of startups show sustainable growth. The image shows that agro industry startup failures is at 44%



Source: <https://startuptalky.com/startup-failure-success-rates-statistics/#:~:text=33%25%20of%20startups%20survive%2010,India%20fail%20within%205%20years.>

Intervention

To avoid such failures and focus on scalability of millet business, the milletpreneurs should develop a strategic outlook about their business practices.

Before moving on to understand the strategic business practices to be undertaken by the milletpreneurs, let us understand the basic theory of Strategic Management

According to Alfred Chandler “strategic management is concerned with the determination of the basic long-term goals and objectives of an enterprise, the adaptation of the courses of action and allocation of resources necessary for / carrying out these goals.”

As the definition states strategic management deals with long term planning and adopting courses of action required for allocation of resources – the resources are popularly known as the 5 M’s of management – men, money, machine, material and methods, future trends with respect to customer preference, economic condition, political situation and technological advancement, are to be considered - so as to maximize both its profit and wealth.

To accomplish these plans organizations, need to have a direction to move towards these long-term strategies. The direction needed to reach these aspiration goals is termed as strategic intent.

According to Hitt- Strategic Intent can be defined as the leverages of internal resources, capabilities and core competencies to accomplish organizational vision, mission, and business in a competitive environment.

As young milletpreneurs’ success does not end where they are now, they must escalate to greater heights for this to be accomplished it is essential for milletpreneurs to be determined to convert their vision to missions. Vision is the aspiration of the founders which motivates them to move forward, leading to tangible results of an organization.

The second step is to create a mission statement- The mission reflects the essential purpose of the organization, concerning particularly why it is in existence, / the nature of the business it is in. So, it here at this point the milletpreneurs needs to ask themselves the following questions:

- Who will be my customers?
- What are the products or services I am going to build my business on?

- What will be my target market?
- What kind of technology I need to use?
- How am I going to grow my business?
- How am I going to survive in my business and make it profitable?
- What is my concern for my employees?
- What image I want the public to see of?

Goals→ Based on the mission statement milletpreneurs need to set their Goals (both long term and short-term goals) – the goals should SMART i.e., specific, measurable, attainable, realistic and time bound.

Once the goals are fixed, set the objectives. Objectives are the small plans to be formulated and implemented to achieve the goals. Monitor and take corrective measure to reach the goals within the set time limit. This strategic business practice will help milletpreneurs to have scalable success leading to transforming their small-scale business to a large-scale organisation- reaping rich rewards to the milletpreneurs, employees, locality, and nation at large.

The success story of Anil Foods is a classic example of understanding the concept of Sustainable Business Practices:

The company was set up in the year 1985 by Mr. A. Nagaraj in Dindugal. It was a time when Vermicelli was not used much in the Tamil Nadu, it was considered a laborious task to cook dishes using vermicelli. After initial setbacks Mr. A. Nagaraj made a small change to his product by producing roasted vermicelli. This strategic change increased the sale of Anil Vermicelli bountifully, and it was the first company to offer the ready to use roasted vermicelli. Market share picked up with innovative promotional campaigns through hoardings and radio broadcasts, expanding physical distribution and adding product lines. Anil Foods are pioneers to introduce millet-based ready to eat foods with a variety of millet vermicelli.

By the year 2008 the company's net worth was Rs. 70 crores. Within a decade the company has evolved by expanding its product line and today Anil Foods worth is Rs. 250 crores and their goal are to reach Rs. 500 crores by the year 2028. And all this by selling their products in south India.

Anil Foods Vision →Establish the brand, "Anil" in every house of India, carrying forward the tradition of goodness in every morsel of Anil products.

Mission → Enrich people lives by offering a wide variety of convenient, delicious, organic and healthy food choices, thus creating a better future every day.

Healthier work life leading to a work life balance, contributing to the cultural and social better being.

Develop a corporate culture in a highly unorganised sector of industry, accountability and responsibility in every coordination.

Pursue the path of growth through systematic learning, calculative improvisation, embrace technology and automation.

Leaping and leading the market with 100+ products and own product chains that have 50%+ market share in the country.

Objectives → 1. consistent work on new product categories by meticulously developing differentiators.

2, the maintenance of consistency and quality standards

3. keeping an open mind about new branding and advertising opportunities

4. maintaining the utmost financial discipline (all their expansion has been done through internal accrual of their profits)

Goals: → 2028- ₹ 500 crores turnover → 2033- ₹ 1000 crores turnover

Suggestions (Solutions)

The feasibility of strategic planning for scalability of milletpreneurs can be made possible too. Suggested below are few of the avenues to penetrate the millet-based business.

Producers (Farmers)

1. Crop Rotation – The farmers should adhere to practicing crop rotation by harvesting rice/wheat- fruit/vegetable – millet. For cultivating millets, it is best to practice jungle farming, as this will rejuvenate the landscape.

2. Green Fuel - Bioethanol from biomass sources is the principal fuel used as a fossil fuels' substitute for road transport vehicles is present in millets. These fuels can be a sustainable substitute for using for running tractors, pump sets and other farm equipment.

3. Fodder – Recycled husk and weeds of millets serves as healthy and organic fodders for farm animals

Processors

3. Technology- develop machines for harvesting, packaging, food processing machines. This will generate more employment opportunities and development of MSMEs.

4. Research & Development- R&D in millets can help India to develop innovative and healthy foods grains and contribute towards food security, in the global scenario.

Product Developers

6. Penetrating the market for baby foods→Millets are healthy foods for babies too. The baby food market can be explored by producing flakes, soups, rotes, snacks as ready to make foods.

7. Pharmaceuticals - Mineral-wise, millets are a rich source of iron, zinc, magnesium, copper, manganese, potassium and phosphorous. Mature kernels are rich in vitamin A but deficit in vitamins B, and C. Hence pharmaceuticals can develop organic medicines using millets.

8. Marketing – With development of many new millet products, they exist a wide range of marketing activities. Marketers can cap on these opportunities. Take the example of Nestle Millet product line A+, which is marketed primary in and around New Delhi. Marketers can approach Nestle for dealership activities in other parts of India.

9. Breweries – Bangalore & Pune restaurants serve beers brewed in millets – adding health benefits

10. Startup Acquisition – Kotaram Agro Foods Pvt. Ltd, Bengaluru was manufacturing ready to eat snacks out of millets. This company was started in the year 2012 as an MSME. Tata acquired this startup recently and has branded its Millet product lines as TATA Soulful.

Conclusion- Millets should not be fashion statement to fade off after the IYOM but a healthy lifestyle to be adhered to. Considering food security, climate change and sustainable living, millets should surpass the production and consumption of wheat and rice, in India and throughout the world.

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