QR FOR TRANSFORMATION OF CENTRAL POLICE CANTEEN (CPC)

The Ministry of Home Affairs has created (Central Police Canteen) CPC with a view to provide Canteen facilities to all serving and retired police personnel of CAPFs, the state Police including IB, CBI, R&W, MHA and their family members as a major welfare measure. The mission of the CPC envisages, providing products/stores of best quality to all beneficiaries, wherever they are, at rates cheaper than the market price. The total number of beneficiaries is approx. 35 lakhs. The CPC runs through a three tier system with Central Office as the first tier that negotiates products/prices with firms and looks after the policy issues. Further down, at the second tier there is a network of Master Canteens (119 at present) that act as ordering/warehousing points. The third tier comprises the subsidiary Canteens (around 1613 at present) that draw stores from MCs and act as points of sale. Large number of firms are registered with CPC for sale of various products through the linked subsidiary canteens that include both branded and standard items.

The journey of CPCs growth has been impressive. The turnover in 2007 of 10 Lakhs has risen to about 1607 Crs in the year 2016-17 and this has come from a Selective Network to a Nationwide Network of Canteens. There is spectacular potential for growth, which needs to be extended to each jawan and his family since it is not only a major welfare measure but also a great source of satisfaction and motivation, leading to substantial savings.

The proposed transformation would entail a series of steps for the achievement of the stated objectives, from where we are, to where we want to go present large possibilities and scope for enhancement in the ways and means of the present functioning of the CPC. Coping up with rapid change, would require a relook at the structure and function of CPC to gear it up for organized and smooth future growth. This would mean that CPC would require better SOPs, IT supported systems and Training along with structural and procedural streamlining.

The methods of transformation to be formulated need re-design/re-engineer the flow of material and money in order to transfer benefits to beneficiaries by putting in place relevant and transparent processes that will be supported by appropriate IT system and organizational structures.

1. CORE OBJECTIVE

The idea of proposed transformation is to equip the manpower/resources at all the tiers adequately with technological interventions, better/standard workflows
and appropriate training enabling them to be guided by streamlined procedures and considered inputs for decision making, leading to a visible, efficient, accountable and transparent system of canteen services for the ultimate welfare of the jawan and his family members.

2. IMPACT OF TRANSFORMATION

Suggested changes will result in an efficient supply chain ensuring continuous replenishment of goods at the Subsidiary Canteens in alignment with the consumer demand and forecast, without accumulating excess inventory at the distribution Centers or the Subsidiary canteens. Upgraded infrastructure and improved processes/SOPs will result in vendor efficiency, availability and better work output. The structures, processes and governance at all Tiers need to be streamlined and supported by information technology systems.

3. SCOPE OF INFORMATION TECHNOLOGY SET UP

The overall business operations of CPC would be based on underlying integrated information technology platform. Robust information systems will help increased efficiency, transparency and accountability in the system. IT will form the backbone of the CPC business operations. The following IT initiatives are imperative for a successful implementation of CPC operations:

Automating the backend supply Chain operations at Master Canteens integrated with Central Office, CPC and subsidiary Canteens, the objective would include:-

a) **Demand forecasting and Ordering, Inventory management and Replenishment**
   i) Distribution and Logistics
   ii) Vendor Credit management and payment systems

b) **Standardizing the retail front and systems for**
   i) Point Of Sale
   ii) Cash reconciliation
   iii) Reporting

c) **Implementing uniform user authentication platform**
   i) Card based authentication systems
Monthly quota on purchase limits for grocery and liquor

Move towards a cashless CPC system

i) Partner with reputed national banks to introduce cashless payment systems at CAPF canteens through tailor-made smart cards.

ii) Gradually mandate all transactions with vendors to be carried out electronically

Build a robust data analytics based system for policy and planning

i) Reporting and MIS

ii) Demographics, Consumption Analysis and market study

The application systems needed to support the business is required to be tailor-made to suit CPCs future requirements and growth.

4. PROPOSED SCOPE OF ACTIVITIES

The idea of proposed transformation will be to equip the manpower/resources at all the tiers adequately with technological interventions, better/standard workflows and appropriate training enabling them to be guided by streamlined procedures and considered inputs for decision making, leading to a visible, efficient, accountable and transparent system of canteen services for the ultimate welfare of the jawan and his family members.

Briefly the scope of work can be divided into 6 broad activities.

A) Need Assessment:-

This involves understanding the present systems and process being followed at the various levels of Central Police Canteens and recommending the desired processes, systems for implementing the dame on Pan India basis. The idea is to create a robust institutional framework with an efficient supply chain operation and better financial rigor and discipline leading to enhanced beneficiary experience. All this is required to be complemented by adequate and appropriate IT system.

B) IT Enablement study
This involves conducting a detailed review of the existing technical landscape and recommend a digital interface and associated IT infrastructure to enable process optimization as defined in the SOPs.

1) **At Central Office:-**

Study and recommend suitable improvements in the following areas of IT enablement:

- Recommend automation requirements of all the processes related with vendor empanelment/registration and including auto updation in revision of prices, terms and conditions etc.
- Recommend integrated financial transactions and accounting, double entry book keeping automated tax calculation, tracking of payments, transfer and re-conciliation of profit funds etc.
- Creation of e-database and files and integration with other tiers for various types of correspondences with them.
- Automatic electronic updation of various records/information of firms, MCs & SCs, newly introduced policies etc.
- **Performance measure analysis :-** Central monitoring of transactions (sales inventory, fund generation and utilization) of all MCs and SCs and subsequent electronic report generation for decision making. Module for report generation for vital KPI (Key performance Indicators like Network and Coverage, Discount levels achieved, Range availability achieved, IT performance, Promotions, SOP compliance, vendor KPIs) alongwith total daily/monthly/quarterly/annual sales, items required to be purchased, price list, balance sheet, profit & loss account, daily sales report, monthly, quarterly, half yearly and annual module for reports etc. Details of monthly or annual turnover at the CPC/Master Canteen and Subsidiary Canteen level separately for each CAPF/CPO and centrally at CPC level across various regions.
- A dashboard at Central Office, CPC integrated with all MCs & SCs, inventory details of all MCs and SCs, demands generated by subsidiary Canteens, indent placed to vendors by master Canteens, availability of fund and infrastructure at all levels by out of subsidiary canteens, payment and outstanding dues, status of subsidiary canteens and Master Canteens daily summary of transactions at the end of the day etc.

2) **IT enablement MCs and SCs:-**
Recommend the systems that needs to be incorporated to support and enable various processes at MCs & SCs covering the function of the following areas:

**Inventory Management**: There is a need to create and integrate a supply chain management system covering all tiers of CPC for efficiency and transparency from demand forecasting to ordering, to supply, to final sale. Ability to track inventory balance & availability with linkages to ledgers, online ordering, fix replenishment levels, order fulfillment, reconciliation of inventory balances, new orders and dispatch consolidation etc.

**Procurement Management**: To enable need based procurement and avoid over stocking, flash availability of products, new arrival, updation in prices, templates for frequently requested items, online alert for tracking, set record levels, ability to segregate & compile interstate/intrastate transactions, record & exchange shipment notices & match invoices etc.

**Order Management**: Ability to create & view orders, track and consolidate multiple, multisource orders, support high volume order processing and credit holds, ability to match and exchange invoices/forms, manage incoming and outgoing orders, match orders with stock availability, automated shipping notes, logistics linked to ledgers, Daily sales consolidation and reporting etc.

**Demand Forecasting**: Based on past data trends and other factors for ordering of products for optimum availability, operational and financial planning needs to be assessed monthly, quarterly, half yearly and yearly etc.

**Payables, Accounting & Tax Management**: Support for compliances to accounting and Tax norms, ledger management, tracking of payment of inbound & outbound logistics accounting, generation of bills/invoice with tax component, GST, payment dues/alerts, cash management, tax & profit accounting & transfer to relevant heads, Cashbook adjustment & reconciliation, Cashbook payment entry, Challan preparation & bill generation etc.

**C) Smart Card**

Recommend a detailed process after working with CPC and its banking partner SBI to deliver Smart Card that could act as ATM cum CPC beneficiary Card. A combo card with financial data of individual as an ATM Card for Direct Debit/Payment from Bank Account with additional contactless Smart chip for loading CPC data for Monitoring of details of CPC items purchased/balance.

**D) Training needs assessment**
Formulate and provide with a training policy and methodology in retail and IT to a defined set of personnel for efficiently handling and managing canteen operations at various tires of CPC. The modules of training needs to focus Vendor Management and negotiations, Retail operational skills enhancement, Commercial skill enhancement, Finance, accounting and taxation skills, order management and forecasting skills and IT skills etc. Through a mix of outsource training, refresher training on the job training. There is also a need to evolve and develop a long term HR training and development policy in consonance with the expectations in the feature. CPC would like to follow train the trainer approach.

- There is a need to create a central data base to maintain data and monitor day to day operations of CPC Head office, Master Canteen & Subsidiary Canteen. The enhancement of other IT tools/peripherals at all tiers needs to support the objectives of the proposed transformation.

- The resources and operating model required for enhancing the institutional capacity of CPC head office. There is a need to recommend the desired governance structure so as to enable operational dynamism and better role clarity leading to flexibility, financial autonomy, legal sanctity, decision making, ownership by forces and other legal compliances. There is a need for better role for clarity on the policy issues including.
  a) Financial Policy for Cash, management in the entire value chain
  b) State Police Canteen Policy
  c) Order/Inventory Management and Indenting Policy
  d) Store Operations Policy
  e) Manpower and staffing policy
  f) Vigilance audit and monitoring policy
  g) Policy for utilization of welfare funds
  h) Liaison with Government
  i) Grievance redressal policy

E. Mobile Application software: - mobile application software is required to be developed on the line of online trading sites like flipkart, Amazon, Snapdeal etc. The application should be enable to run on the Smartphone or tablet. The mobile application would be making easier to see the availability of items in canteens, online shopping, manage his/her e-shopping cart and online payment portal.

F. Modification of the existing website to include e-marketing capabilities, product information, search within categories, cost comparison as well as provide scope for feedback and consumer grievances redressal.