

ITC e-Choupal 3.0

ITC was one of India's largest private sector conglomerates with a diversified presence in multiple industries, including, food, agriculture, hotels, cigarettes, personal care, paper and stationery. In 2008, it had a market capitalization of US \$19 Billion and annual sales of more than \$5 Billion. ITC was ranked as one of the world's most reputable companies by Forbes magazine and listed as one of India's most valuable companies by local Indian business magazines. The Agri-Business at ITC was one of India's largest exporters of agricultural products.

ITC's e-Choupal was an initiative that enabled rural Indian farmers to enhance their efficiency through price transparency over the Internet. The project had received international accolades and in the summer of 2008, executives of ITC gathered together to discuss the next iteration of the successful initiative. ITC had first created e-Choupals, internet-enabled computer stations based in villages, to provide information on weather, best practices, crop details, market prices, and important local news to farmers in 1999. That early project then expanded to a version 2.0 between 2003 and 2008, and by 2008 the team was beginning to sense that they needed to update the current version. A new version would encompass what they had learned through the initial years and would be necessary to further encourage and foster the entrepreneurial spirit of the farmers and rural communities.

As S. Sivakumar, CEO of ITC's Agribusiness Division, and his team began to envision the e-Choupal 3.0 model, they reflected on how far they had come since the inception of e-Choupal in 1999, a journey depicted in **Figure 1**. By starting with the idea that each farmer could be a micro-producer, the 1.0 model focused on a one-way supply chain from the farmers to ITC, with ITC purchasing soya and other commodities from rural communities. The 2.0 e-Choupal expanded on this concept and incorporated the idea that farmers could also be micro-consumers. To serve these consumers, ITC expanded its supply chain to include selling consumer-packaged goods to the farming communities. As the team was considering how to augment the 2.0 model, they realized that through the support of the e-Choupal, farmers had also become entrepreneurs. The approach now required a deeper personalization and the ability to facilitate greater economic opportunities for members of the community.

Throughout the historical development of e-Choupal, the initiative had always focused on having a positive social impact, as shown in **Figure 2**. A tenet of 1.0 was treating farmers with dignity and respect. All commercial transactions between ITC and the farmers were transparent and fair and handled with dignity and respect, which stood in a stark contrast to the mandi, which was the existing marketplace in rural India.



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