



Empowering Women via Dairy Sales

A Social Case Study (October 2017)

Company Profile: Cimory

Cimory is the leading local dairy manufacturer in Indonesia, producing yogurt drinks and fresh milk. Sustainability is integrated in the business model in two ways: by upholding a fair-price policy in the procurement of milk as a raw ingredient from local farmers, and by offering more cost-effective products to clients as compared to modern retailers, while delivering the products to their doorstep. Cimory's vision is to be Indonesia's leading liquid dairy company.



The Sustainability Innovation Grant

In May 2016, the Miss Cimory program was awarded a \$79,800 CAD Sustainability Innovation Grant (SIG) from Global Affairs Canada and managed by Mennonite Economic Development Associates (MEDA) with Cimory contributing \$171,570 CAD.

To tackle the issues of recruitment, Cimory launched a one-on-one mentorship program that appealed to women candidates not only in a business sense but also as an empowerment vehicle. Every new hire receives one month of in-person training from a dedicated trainer to gain greater product knowledge and learn innovative sales techniques.

To tackle the issues of nurturing, particularly the high employee turnover rate, three internal campaigns were launched: Member get Members, the Refrigerator Program, and Income Super Awesome. If an employee refers someone who became a sales agent for three months, they receive a bonus. Additionally, after three months of employment, the new sales agent receives a free refrigerator for their home. The Income Super Awesome is a compensation-based program where women report daily on their sales figures in front of the team to motivate one another to achieve their sales target and increase their monthly income.

The Challenge

In 2012, Cimory saw an opportunity to change the way dairy products were distributed to its end clients. Instead of going through the conventional retail supply chain the company developed a direct distribution model entitled Miss Cimory program where women are hired and trained to sell dairy products door-to-door. The Miss Cimory program bypasses conventional retail supply chains, reaching untapped markets. The program salesforce is all women, many of whom are housewives from lower socio-economic backgrounds. The main challenge for the Miss Cimory program was recruiting and nurturing the female sales agents.



“As a result of the training, I have increased my income from \$2 million IDR per month to \$4 million IDR per month” – Dami, Miss Cimory Sales Agent



SIG Impact

Increased Women's Marketing Skills

The one-on-one mentorship program provided employees the empowerment needed to successfully form their own client base. Sales agents felt knowledgeable about the dairy products and their ability to sell them.

Increased Job Quality

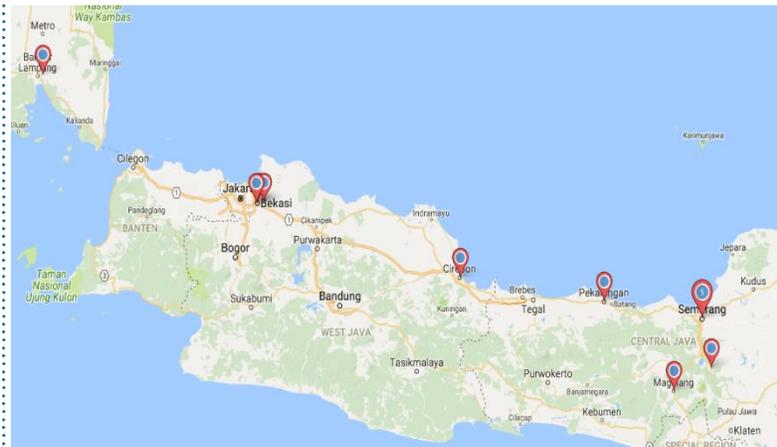
Due to the new recruitment program, the company hired and retained 82 more direct sales agents throughout Java and Sumatra, providing the women with a minimum wage of \$184 CAD (2,000,000 IDR) per month for the first three months, and an average of \$500 CAD (\$5,420,000 IDR) per month thereafter. This is above the average wage for women in Indonesia. Additionally, due to the guaranteed income in the first three months and the internal campaigns, the quarterly churn rate of Miss Cimory sales agents decreased from 50% to 30% (see below for more statistics).

Recruitment Statistics



Increased Sales Agents' Capacity

As proximity is essential for the women to collect milk products, cold storage facilities needed to be set up in various locations throughout Java and Sumatra to support the growing sales force. Cimory opened 13 new stores throughout the grant period (see map above), bringing the total cold storage locations to 40. Each location has a large refrigerator to store dairy products, a prayer room, a bathroom, an office and a main room for the women to converse and participate in daily sales and empowerment sessions. Additionally, each facility can support up to 15 sales agents.



Sustainability

Cimory plans to continue to expand their cold storage facilities on the islands of Bali, Nusa and Tenggara Sulawesi, hiring more women and empowering them as direct sales agents through the recruitment and nurturing programs. Since the end of the grant, Cimory has opened six new centers and are on track to achieving their target of 500 women sales agents by the end of 2017. This project contributes to the Sustainable Development Goals of Gender Equality and Reduced Inequalities.

5 GENDER EQUALITY



10 REDUCED INEQUALITIES



Lessons Learned

According to the CEO, the greatest lesson learned was that effective communication of program benefits should be done at the household level, with an emphasis on husbands. It took some time to overcome this sensitive issue, but the company learnt how to properly communicate the many advantages of the Miss Cimory program.

“In our culture, it can be difficult as husbands tend not to give permission to their wives to work. At Cimory, we educate the women on how this employment opportunity can be beneficial for the whole household and hope that this will also change the minds of their husbands.”
-Pak Farell, CEO