



Universidad San Francisco

m-Logistics in Ecuador: quick overview of current state and development opportunities



GRUPO DE LOGISTICA INTEGRADA

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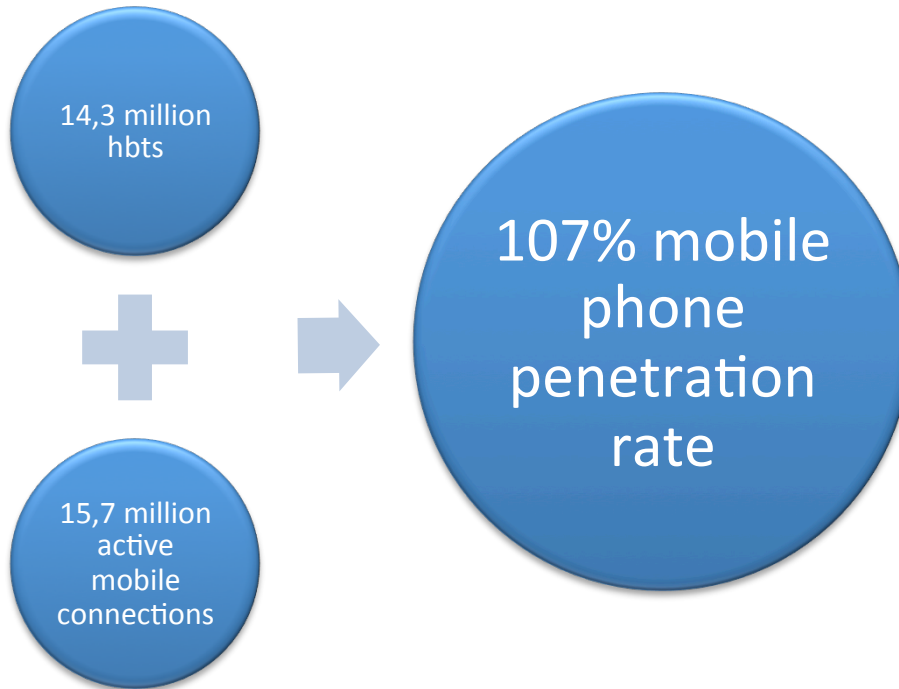
CLI – Academic Workshop 2011

Agenda

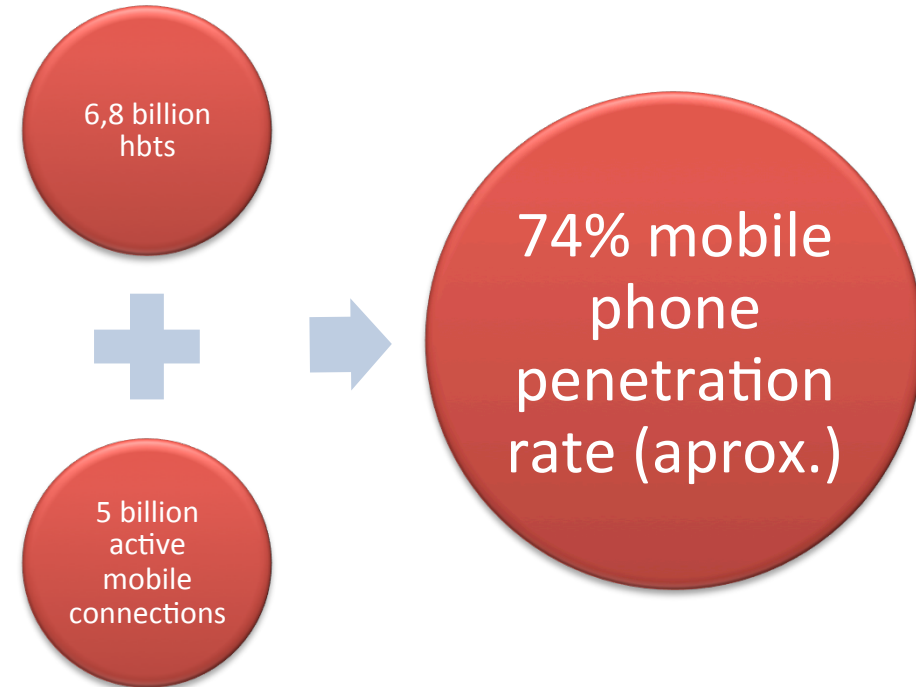
- Quick facts about mobile technology worldwide/
ECU
- Case study: Technological renewal – tobacco
industry
- Case study: Empowering small milk producers
through mobile phones
- Related projects
- Future steps

Mobile Technology Penetration Rate

ECUADOR (June 2011)



WORLDWIDE (Projected December 2011)



Sources: Worldbank, INEC, SUPTEL, 2011

Mobile Technology Worldwide



Quick facts:

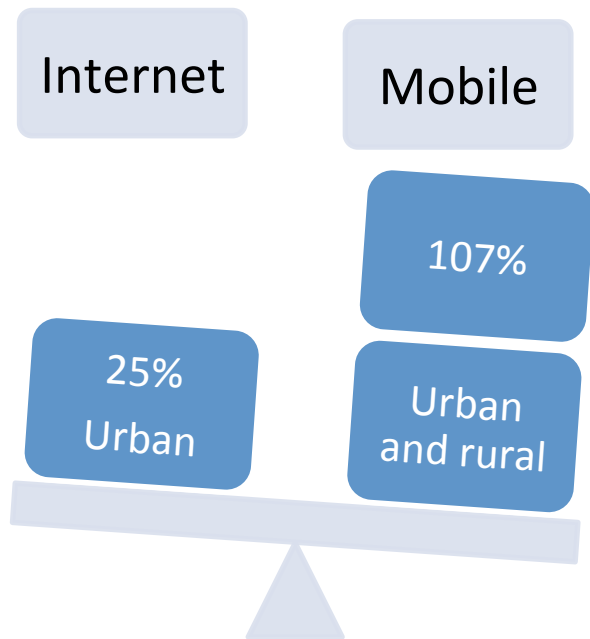
- Fastest growth in technology adoption ever.
- Mostly on emerging economies
- In Jan-March 2011, 156% increase in mobile traffic in LATAM

Sources: *The Economist*, World Bank

Courtesy of Jhonatan Rotberg, NextLAB MIT

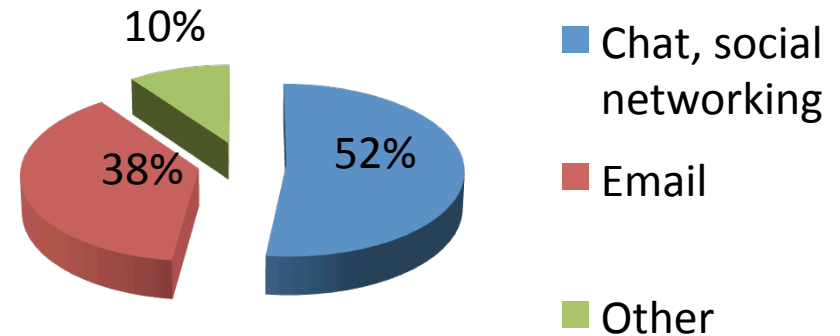
Current State of Mobile Technology in Ecuador

Internet vs. Mobile Phone Penetration Rates



Source: INEC – SUPTTEL, 2011

Primary usage of Smartphones: (600.000 units estimate May 2011)



Sources: Revista Líderes - USFQ

Case-study: mobile phones for CPG distribution

AS-IS STATE

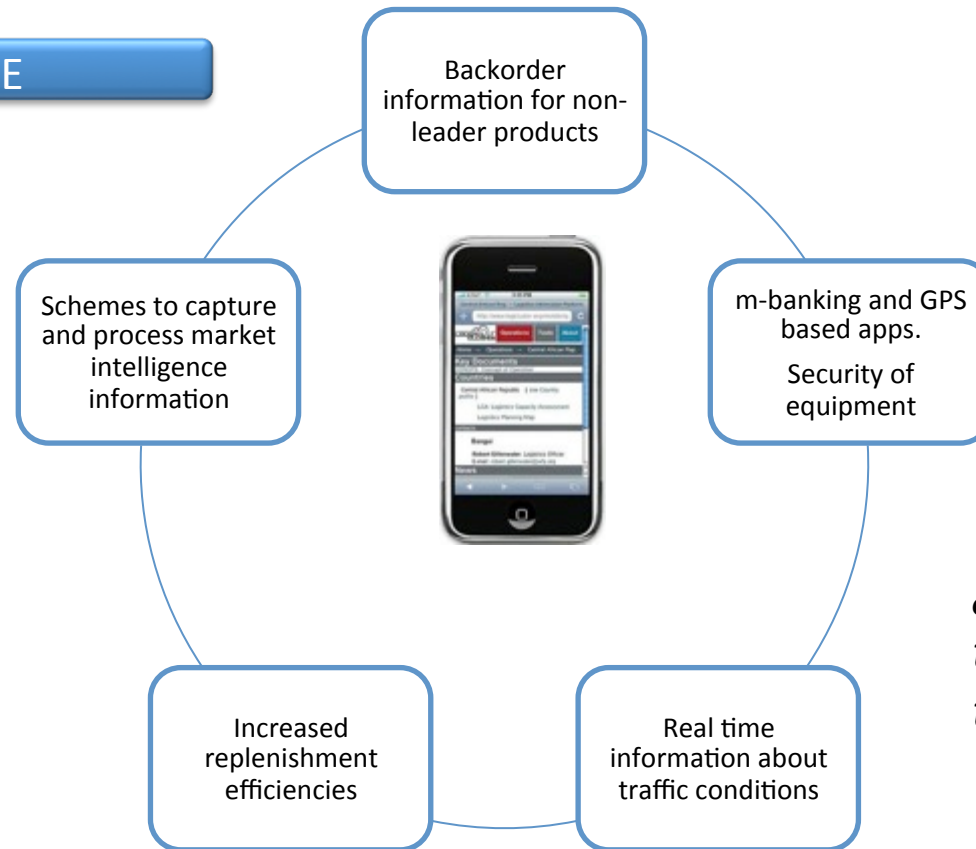


20 year old technology:
-Reliable and secure

The information gathered for the EDIME project – CLI

Case-study: mobile phones for CPG distribution

FUTURE STATE



Estimation suggests that not even a 10% of big CPG companies are using mobile phones for sales and distribution.

¿Is it cost-effective to switch technologies?

The information gathered for the EDIME project – CLI

Case-study: Empowering Small Milk Producers

- Mobile technology for bottom-of-pyramid apps.
- Bottom of pyramid in Ecuador:
 - Disconnected producers and consumers (high logistics \$)
 - Little per capita spending in food but aggregated over 500 millions per **month!**
- This project is being developed at a rural milk production community at Lasso (60 km south from Quito)

Case-study: Empowering Small Milk Producers

- Current needs:
 - Design of improved production/ distribution systems
 - New customers for excess capacity
 - Very price sensitive producers
 - Very low usage of technology (mobile coverage available though)
 - Quality improvement
 - Very little information about market
 - At the mercy of the middleman
- Question: Is there any way mobile phones can be a value added tool for this production system?



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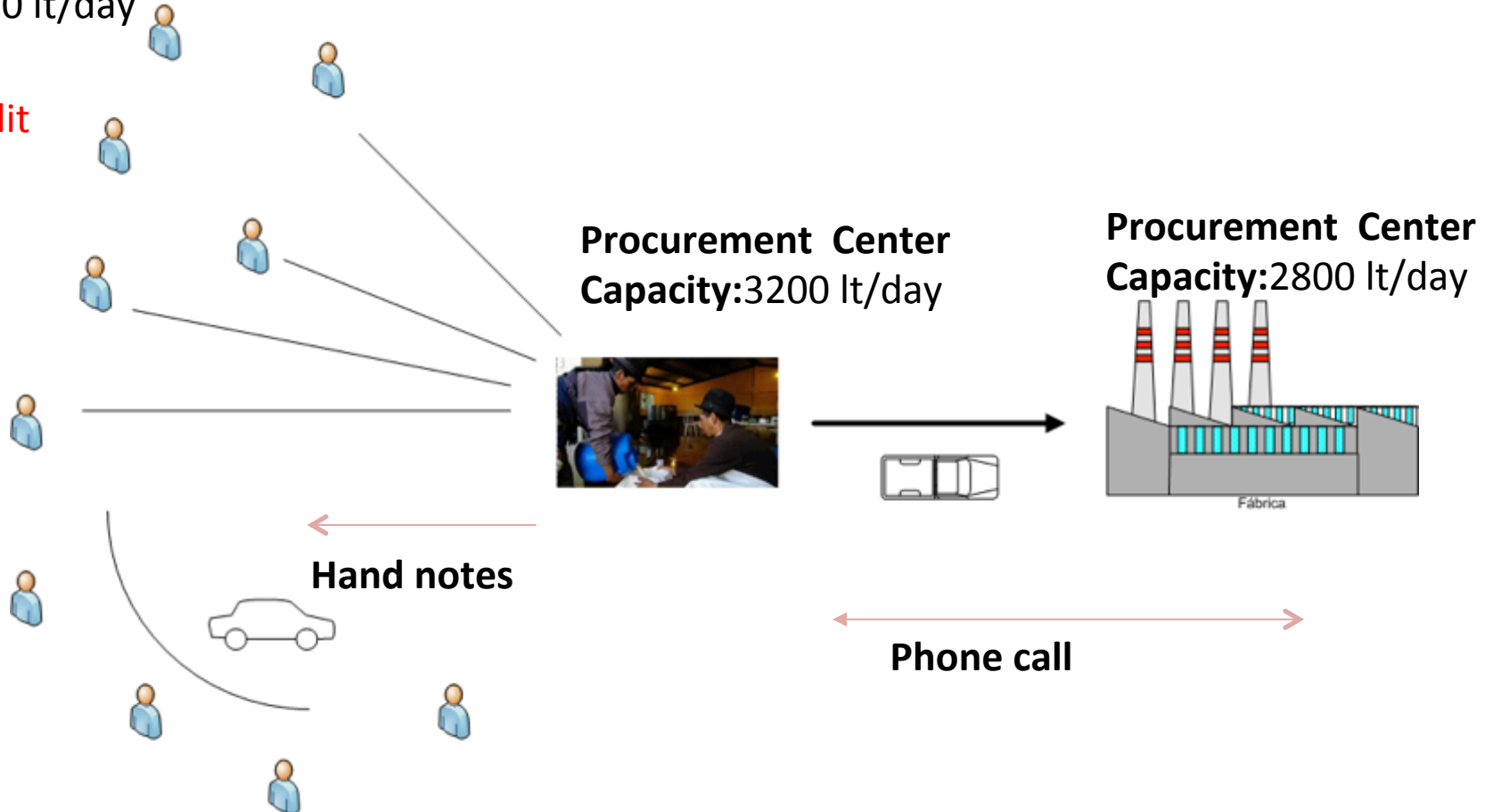
Case-study: Empowering Small Milk Producers

125 Partners

Capacity Range/ partner:

10 - 150 lt/day

\$0,36 /lit



se-study: Empowering Small Milk Producers

Goals

- Reduce transaction costs and other inefficiencies
- Provide access to new markets
- Improve product quality

Preliminary Challenges

- Literacy
- Real time info gathering
- Financial sustainability and expansion
- Keep it simple!

Information to be needed

- Price
- Weather
- Technical training (tips)
- Potential buyers
- Payment and sales record

Related Projects Review

- Several mobile phone apps for CPG distribution.
- Mobile phones usage in emerging markets for:
 - Kerala Fisherman: Price and market info (India)
 - DatAgro : Training, price, weather and microcredit info for farmers (Coopeumo, Chile)
 - CAMIP: Market and training information (Cambodia).
 - CAGSA Project: BB – ERP Connection for SME to track product delivery, access market info and payment info (Argentina)
 - CONAPROLE: SMS info of product quality, delivery and payments (Uruguay)
- NextLAB

Source: MobileCitizens IADB, IDRC

Next Macro-phases

