

MANAGEMENT LEARNINGS FROM DABBAWALA'S

A CASE STUDY

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August 11, 2024

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ABSTRACT

The Dabbawala Organization, known as the Dabbawala Enterprises PVT. LTD., is the first food delivery service in India, and one of the first food delivery service/systems in the world, especially on such a large scale. This makes them the forefathers for all the food delivery services present today. In this case study, I will:

1. Introduce the Dabbawala's, and the scope of this study.
2. Overview Dabbawala's case, their past and their present scenarios, and their delivery methods.
3. Define the problems that the Dabbawala's may/might/will face.
4. Analyze the situation of Dabbawala's in detail, and talk about the problems that they face in this day and age, mentioning my thought processes. Give solutions and intervene where necessary, with my reasons for the same, to help fine tune an already great organization.
5. Give an overview of how the changes recommended by me will affect and impact the Dabbawala's and their life and conclude the study.

INTRODUCTION

“Dabbawala’s”, a word that inspires every Mumbaikar so much every time they hear it, reminding us of the history of our city and this organization, and how it has been the backbone of the city, embedded right down to its roots. To find out more about the future of the Dabbawala Enterprises PVT. LTD., it is first very important to study the past of the organization in detail to see how they have affected the population of the city of Mumbai, the impact that they have left on the mindset of Mumbaikars, in terms of the usefulness of their services, and how all of this has set a legacy that can now be leveraged upon, and be capitalized, now and in the future.

Scope of this study:

1. To learn, and spread awareness of the Dabbawala’s, their organization, and their work.
2. To help find out the major problems that the Dabbawala’s might face right now, or in the near future.
3. To find solutions for the pre-existing problems of the Dabbawala’s, and the problems that they may face in the future.
4. Give a point of view as a third party to the organization, and give a fresh perspective.
5. To learn how to reproduce similar values for other business models.

CASE OVERVIEW

The Dabbawala's, a legacy now, was developed due to a very simple need in the market, the requirement of a home cooked meal in a timely fashion, a trend that is followed to date by most, one of the intrinsic requirement of most Indians, as a culture. No matter the number of fancy, or exotic meals present, or cheap and quickly available the food might be, as per the individuals requirements, nothing can replace a homecooked meal.

The Dabbawala's, formed due to the need of one such Parsi banker, caught the sight of many people, and quickly filled a market need, under the leadership of Hon. Mahadu Havaji Bache, a hardworking, dedicated and talented man with the help of 35 like-minded and like-valued men in 1890. These men, though not very educated, have left deep imprints on the city of Mumbai, covering a total distance of 60 to 70 kilometers, with two hundred thousand tiffin's being delivered, and being brought back to where they were collected from, i.e. four hundred thousand transactions daily, within a time span of 3 hours. This is made possible by the dedicated team of five thousand dabbawala's, under the leadership of six hundred Mukundham's (Team Leaders of sorts), who all do a great service to their fellow man by helping feed them. Amongst all these statistics, we must also start to talk about their error ratings, which is one in sixteen million, giving them a Six Sigma Performance Rating, by the Forbes Group. This is something that a lot of huge organizations also strive to achieve, and many fail to do so, as well. On top of that, it is very impressive to note that they do this without the help of any technology, which to most is unimaginable.

To achieve a Six Sigma Performance Rating without any technology, in an age where despite having the map of the entire world at their fingertips, delivery services still make so many mistakes. This shows the mental acumen and presence of the minds of the Dabbawala's as individuals and as an organization, and give a round of applause to the system that they have put in place for food delivery. Talking about the system that they have input to achieve such ratings, one must admit that it is rather ingenious and simple enough to be executed on such a large scale reproducibly with minimum errors. The initial coding system was developed with the help of waste threads that were discarded by tailors, but their modern technique involves using two coloured markers, green and red, on the bottom of the Dabba (Tiffin).

The Green indicates the:

1. Pickup Location Letter mentioned on the Nine 'O' Clock on the bottom of the Dabba (Tiffin) indicating the pickup street of the tiffin.
2. Pickup Stop (Station) Letter mentioned on the Twelve 'O' Clock on the bottom of the Dabba (Tiffin) indicating the pickup railway of the tiffin.
3. Drop Stop (Station) Number mentioned in the centre on the bottom of the Dabba (Tiffin) indicating the drop railway of the tiffin, according to them island/station number.

The Red indicates the:

1. Destination Code Number for the drop mentioned on the Two 'O' Clock on the bottom of the Dabba (Tiffin).
2. Building Name initials mentioned on the Three 'O' Clock on the bottom of the Dabba (Tiffin).
3. Floor Number for delivery mentioned on the Four 'O' Clock on the bottom of the Dabba (Tiffin).

The organization of the Dabbawala's is loosely built, with a Team Leader (Mukundham's), under whom approximately twenty to twenty five dabbawala's operate. These Mukundham's guide the individual dabbawala's on how to carry out their jobs in manners that they understand due to their minimal education, and give confirmation to the Organization Leader. Each individual dabbawala has to carry forty tiffin's to and fro, from the homes of the recipients to their offices and back. These dabbawala's then take the tiffin's to the point of aggregation and sorting, and are then transported to the Drop Stops, where they are again re aggregated and sorted according to the drop location codes, and then transported/distributed by the specific dabbawala carriers to specific locations. The return process works in a similar manner.

The main reason that this organization and their supply chain management works so smoothly is due to the fact that most of the decisions are taken on the field by the dabbawala's as per their requirements, and that there is an open line of communication between the dabbawala's and their Mukundham's due to a rather flat organization structure, and that each individual is given respect and treated as a shareholder in the organization, rather than as just another expendable employee that most organizations do. Even the president and other heads deliver these tiffin's, which means that they are very in touch with the process that the dabbawala's have to follow and can understand their struggles, and hence may be

able to comprehend their difficulties with more ease than other organizations which never understand the problems and concerns of those below them. Mini meetings of each sect of the organization occur monthly to give floor to the concerns and issues at the ground level, as well as any higher concerns.

Dabbawala's, as an organization, use Zero Percent:

1. Fuel
2. Modern Technology
3. Investment

And yet manage to give excellent services, at the basic, bare minimum fixed rate of INR Five Hundred to INR Seven Hundred per month, no matter the weight of the tiffin's, or the distance they have to be carried. This makes the annual turnover in the range of INR Nine Hundred Million to INR Twelve Billion, giving each dabbawala approximately INR Fifteen Thousand to INR Twenty Thousand, and receive a yearly bonus of a month's pay, on the festival of Diwali, after deducting minimal travelling costs, etc.

The Dabbawala's have been studied for their delivery model, written and published about, made documentaries about by multiple news organizations such as BBC, and given as case studies by multiple prestigious colleges such as Harvard Business School, etc. They hold a World Record in Time Management and also are mentioned in the Guinness Book of World Records, and have been visited by many honorable dignitaries.

The Dabbawala's became incorporated on 7th September 2017, as Dabbawala Enterprises PVT. LTD., and appointed dabbawala's as contractors for their benefit, such as opening bank accounts and pension plan implementation, insurance and MediClaim policies, applying for loans, showing income proof.

Dabbawala's have had a very colourful past, and they must be lauded for their hundred and thirty four year span of service, but as we prepare for the future, we must ruminate on what problems they might encounter in today's modern world, which they may be unable to cope with, and how they can be overcome.

PROBLEM STATEMENT

Despite being the backbone of the city of Mumbai at one point in time and now still, and helping it to become the metropolitan that it is right now, the Dabbawala's find themselves in grave trouble. The main sources of their trouble are:

1. The fact that they do not use any technology, which they might not be able to continue to do in the technology and information age that the world is in currently.
2. The increased competition in the delivery industry with the introduction of food delivery applications, restaurants own delivery systems, grocery and other general delivery applications, point to point delivery applications, etc.
3. The increased number of restaurants, cheap and fast food available across the city.
4. The hybrid model of work that has been adopted by most offices and employees, which may turn into a complete work from home scenario, with the decline in demand of physical presence in the offices to save the expense of office spaces and resources such as electricity and presence only in case of emergencies or important work.
5. The fact that an entire generation of Mumbaikars who are unaware about the Dabbawala's, as well as the people who move to the city from other parts of the country, and even the world.
6. The problems that arise from the organizational structure is that there are no qualified persons present to focus the 'Big Picture Problems', rather focusing on the day to day problems. While the 'One Day at a Time' approach is much helpful in case of recovery, etc., here, there has to be course set here, to ensure the continuity of the survival of the Dabbawala's, and their legacy for generations to come.
7. The lack of expansion of the business model of the Dabbawala's.

SITUATION ANALYSIS AND SOLUTION DISCUSSION

When we talk about analyzing a situation, we should majorly emphasize on the fact that we must not just focus on the situation mentally, but also emotionally, as the emotional quotient is equally important to the intelligence quotient, if not more. The problems faced by the Dabbawala's affect real human lives, who cannot even be put to a value and at every stage, this point must be remembered.

We will talk about the solutions to the problems of the Dabbawala's by mentioning the problems as per the problem statement and following up with a solution.

Problem: The fact that they do not use any technology, which they might not be able to continue to do in the technology and information age that the world is in currently.

Solution: The integration of technology is vital in the information technological age of the world. The Dabbawala's need to be made technologically aware, as well as trained in how to use technology in their day to day life. Once these first initial technology based trainings are completed, they should be trained on how to use and operate delivery applications, both as users and delivery partners. While this happens, the Dabbawala's must side by side begin to develop the application for Dabbawala Enterprises PVT. LTD. which can be used for delivery, as most major companies do. The Dabbawala's will have an edge due to our cutthroat rates and extremely efficient services that we have been providing for the last one hundred and thirty four years. The Dabbawala's will also offer one time trials, and one time delivery rates that match these other delivery platforms, as well as a monthly program as the Dabbawala's already do, but with a higher cost, i.e. INR One Thousand to INR One Thousand Five Hundred, increasing the profits of the organization and also to cover the costs for the application development. The application will also have features of No Contact/No Disturbance deliveries, which will help increase its reach.

Problem: The increased competition in the delivery industry with the introduction of food delivery applications, restaurants own delivery systems, grocery and other general delivery applications, point to point delivery applications, etc.

Solution: The Dabbawala's have a very sound reputation of deliveries across the city. As the Dabbawala's enter the E-Delivery market, these competitors will never be able to match the efficiency and the costs of the Dabbawala's. Further, the Dabbawala's can start to tie up with restaurants ourselves and enter the E-Cooked Food Delivery Market. The Dabbawala's could also open their own cloud kitchens that will prepare healthy homecooked meals as a future option, also providing dietician regulated meals as well, as the Dabbawala's main USP is home made healthy food, which we can market and advertise to declare the Dabbawala's entrance in the market.

Problem: The increased number of restaurants, cheap and fast food available across the city.

Solution: The Dabbawala's can start to tie up with restaurants ourselves and enter the E-Cooked Food Delivery Market, just how major market players have done, only at the Dabbawala's cheaper rates with much more efficiency rates. Why would anyone choose anything over the Dabbawala's?

Problem: The hybrid model of work that has been adopted by most offices and employees, which may turn into a complete work from home scenario, with the decline in demand of physical presence in the offices to save the expense of office spaces and resources such as electricity and presence only in case of emergencies or important work.

Solution: The Dabbawala's could open their own cloud kitchens that will prepare healthy homecooked meals for people with no family in the city or living alone, also providing dietician regulated meals, as the Dabbawala's main USP is home-made healthy food, which they can market and advertise to declare the Dabbawala's entrance in the market.

Problem: The fact that an entire generation of Mumbaikars who are unaware about the Dabbawala's, as well as the people who move to the city from other parts of the country, and even the world.

Solution: Dabbawala's are an integral part of the Financial Capital of India, which means that they must advertise themselves to keep maintaining a strong public image and declare that they still

exist and strive to serve people with the perfection that they are renowned for. Marketing the good qualities of the Dabbawala's will not only help to spread awareness but talk about the continual existence of the Dabbawala's, their sustainability in the market and increase customers as well.

Problem: The problems that arise from the organizational structure is that there are no qualified persons present to focus the 'Big Picture Problems', rather focusing on the day to day problems. While the 'One Day at a Time' approach is much helpful in case of recovery, etc., here, there has to be course set here, to ensure the continuity of the survival of the Dabbawala's, and their legacy for generations to come.

Solution: The influx of new blood to bring in fresh ideas, as well as keeping a balance of experienced persons will help the organization to thrive. The organization must develop a hierarchy for reporting orders, to ensure smooth resolution of problems with the input of conflict resolution team, made of new employees of all diversities, i.e. gender, culture, age and old employees who have worked in the field and are more in touch with the problems of the field to address all possible concerns and find their solution. The organization must also take care to progress, but never lose touch with their roots, to ensure smooth progress, and always have good conflict solutions as they have done for the past hundred and thirty four years.

Problem: The lack of expansion of the business model of the Dabbawala's.

Solution: The Dabbawala's must consider expansion to other cities of India, such as Delhi, which has good city coverage due to the presence of the Metro System, with the help of the government, as they have done in Mumbai. Once this is implemented, and implemented throughout India, foreign expansion must also be considered in places such as London, with great 'Tube' connectivity and New York, with excellent 'Subway' systems present. With the rates and efficiency of the Dabbawala's, they can dominate the world in terms of deliveries.

IMPLICATIONS AND CONCLUSION

The Dabbawala's have been this city's support system for very long. It is time that we give back to them, by helping them move into the future, along with the city, so we can coexist and continue to support each other for generations to come. I think, the solutions provided to the problems that I could think of should be implemented immediately to help increase the profitability of Dabbawala Enterprises PVT. LTD., and help improve the quality of life of the Dabbawala's, their families. I hope you are satisfied with the case study that I have provided, and have as much fun reading and analysing it as I did analysing and writing this case study.

Thank you for the opportunity to participate in such an enlightening and interesting event which helped develop case study writing skills and problem analysing and solving skills.

REFERENCES

1. Writing a case study by Monash University on their website monash.edu.
2. Presentation provided “Dabbawala’s, On Time, Every Time 23rd June 2024”.

APPENDIX

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