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“ Management learnings from Dabbawala”

The “Dabbawalas” of Mumbai form a unique chain of service that is more of a legacy than a job. The success of this business demonstrates the value of home-cooked food for Indians. With thousands of visitors per day flocking to the City of Dreams, Mumbai’s high-quality restaurants manage to steal much of the culinary spotlight. The money-mad city hosts these extravagant restaurants to satisfy the upper crust’s palate. Meanwhile, the city’s working class continues to prefer conventional but heartwarming homemade food. To keep up with the pace of this city, it is nearly impossible to transport Tiffins to work, so the vast majority prefers the services of Mumbai Dabbawala. For the past 125 years, this 5,000-person company has maintained an incredible track record of service to its clients. These Mumbai Dabbawalas, who are always dressed in white kurta pyjamas and traditional Gandhi caps, have a distinct demeanour. You would be mistaken if you assumed they were caterers. These individuals are simply facilitators who collect the lunch from their clients’ homes and deliver it to the specified address before lunchtime. After lunch, empty Tiffins are returned from the delivery address to the clients’ homes. The Mumbai Dabbawalas, who never miss a train, are known as ‘Management Gurus’ for earning the well-deserved Six Sigma certification through impeccable management and a proven track record. Every day, the ‘Mumbai Dabbawalas’ handle nearly 400,000 end deliveries in 3-4 hours. Every Tiffin may change hands at least six times in transit before reaching its destination, and the same is true on the return journey. This equates to approximately 2.4 million manual movements for all Tiffin boxes in a single day. Because there isn’t time to sit and sort the boxes, these people usually do it while in transit on trains. This system differs from others in that, aside from train movement, everything is manually handled and managed by these people. The failure or mistake rate recorded in the service of these Mumbai Dabbawalas is one in every sixteen million end deliveries. This is not always the result of human error. Mumbai Dabbawalas are among the country’s top 50 entrepreneurs, with an exemplary record of no strikes or court cases since their inception. A typical working day for a Dabbawala ends with great emotional satisfaction and happiness as they firmly believe in the philosophy of ‘Anna Daan Maha Daan’, which means that donating food is the best charity. These people, on the other hand, have a stronger affinity for the middle-class Mumbai crowd and their cuisine. A Parsi banker suggested the idea of having home-cooked food delivered for lunch, and the first Dabbawala was assigned to do it. The success of this idea resulted in the creation of a food delivery system that now serves over 200,000 people every noon. The curious eyes at the door at lunchtime are reassured each time a sumptuous home-cooked meal arrives at their table on time. For many families, the business of Dabbawalas has been a legacy that has been passed from one generation to another along with the same

compassion and diligence that the previous generation bore towards their work. Rakesh is the third-generation Dabbawala in his family who had always seen his father and grandfather get dressed in their uniform every single morning to go to work. He remembers, ‘No matter how the weather is outside, my grandfather always asked me to iron his white kurta pyjama and Gandhi cap every morning before leaving for work. He didn’t miss a day and every evening he told me how happy his customers were that day. There are numerous reasons why these individuals are so popular among the Mumbai crowd. Aside from those who want to keep a closer eye on their money, this delivery system is also useful for those on specific diets due to personal preference, health issues, or religious restrictions. But, for me, nothing beats my favourite lunchtime meal. And I believe this is the primary reason why this business has been so successful thus far. Sharmila, a Mumbai housewife, believes the Mumbai Dabbawalas are credible and professional. She shyly recalls, “One morning, my husband and I had a disagreement, and he left for work in a hurry.” However, my rage did not prevent me from making his favourite lunch and delivering it to his office. I had just sent him a small apology note in his Tiffin. I spent the next couple of hours worrying about how his mood would be in the evening. When his Tiffin box arrived in the afternoon, I found two movie tickets inside. The Dabbawalas communicate using a simple system of symbols. The lid of a dabba bears three key markings. (See the exhibit titled “Cracking the Dabba Code.”) The first is a large, bold number in the centre that represents the area where the dabba must be delivered. The second is a group of characters on the lid’s edge: a number for the Dabbawala making the delivery, an alphabetical code (two or three letters) for the office building and a floor number. The third—a combination of colour, shape, and, in some cases, a motif—indicates the station of origin. In “Rebuilding Companies as Communities” (HBR July-August 2009), Henry Mintzberg laments “the depreciation in businesses of community—people’s sense of belonging to and caring for something larger than themselves.” He goes on to link the decline of community to the demise of once-great corporations and ethical failures such as the subprime mortgage fiasco that triggered the Great Recession. “Tellingly, some of the companies we admire most—Toyota, Semco (Brazil), Mondragon (a Basque federation of cooperatives), Pixar, and so on—typically have this strong sense of community,” says Mintzberg. I completely agree, and I’ll use the Dabbawala system as another example. Over the years, the Dabbawalas have received numerous recommendations for increasing revenue or improving operations. However, the suggestions are usually rejected after careful consideration of their impact. “Some business school students suggested we use motorcycles instead of bicycles,” recalls Raghunath Medge, chairman of the Dabbawala governing committee. “But then our people would have to learn how to use them, get driver’s licenses, deal with the Regional Transport Office [the department of motor vehicles], and costs would increase for the customer.” That isn’t to say that the Dabbawalas are against change. They acknowledge

that they must adapt to major trends sweeping India, such as the growing number of women entering the workforce. This change will significantly disrupt their operations because in India, preparing lunches and packing them in dabbas has traditionally been a woman's domain. As a result, the Dabbawalas have begun to collaborate with small businesses and canteens that serve freshly prepared meals. At the same time, they have rejected any proposals for backward integration, such as setting up their own kitchens. The reason is simple: they will not allow themselves to be distracted from their primary goal of delivering dabbas on time. Successful companies that have a strong central mission but are operating in a changing environment should follow a similar path: they should articulate what their core is, constantly experiment around it, and explore new opportunities while being careful not to deviate too far. The Lego Group learnt this lesson the hard way. When the company attempted to expand aggressively in the mid-1990s, its leaders encouraged their businesses to branch out from the company's core play systems. Operational complexity increased, costs escalated, and customers became confused about Lego's brand and values. The Dabbawalas, too, face challenges as their market transforms. However, with careful adjustments to their four pillars, they may be able to continue producing incredible results. And this is a lesson that business leaders everywhere should learn.