



**MARS**



**Economics  
of Mutuality**

# Sabka Dentist

An Economics of Mutuality case study



**Responsible Business Forum: The Economics of Mutuality**

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# Sabka Dentist



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## About the Responsible Business Forum Case Studies

This series of case studies explores how mutual approaches to business can help companies and their partners tackle some of the most pressing global challenges. The businesses featured in this series share a commitment to objectives beyond purely financial performance, as well as a serious intent to implement mutual practices through new forms of ownership, governance, leadership, measurement and management.

In particular, these cases address the measurement of multiple forms of capital, ecosystem shaping approaches, leadership development, business education, and policy formulation through laws and regulation that promote mutual conduct. The authors appreciate the collaboration of participating companies in creating these cases.

These cases were first developed for the annual Responsible Business Forum, the convening event of the Mutuality in Business Project, a joint research programme between Saïd Business School, University of Oxford, and the Catalyst think tank at Mars, Incorporated. The Responsible Business Forum brings together global companies, MBA candidates, scholars and activists to share their experience in confronting key challenges in their ecosystems to generate financial, social and environmental value.

## Authors' Note

The conclusions and recommendations of any Saïd Business School, University of Oxford, publication are solely those of its author(s), and do not reflect the views of the Institution, its management, or its other scholars. These cases are based on information provided to the researchers by participating companies.

## Mutuality in Business

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# Executive Summary

## Sabka Dentist

Sabka Dentist was established in 2011 with the mission to make quality dental care accessible and affordable to all. It now operates in Mumbai, Pune, Surat, Ahmadabad and Bangalore.

Initially working in a charity clinic, Sabka Dentist's CEO realised that the only way of scaling his impact would be through building a business. The company now has 850 employees (95% women), 400 contractors and operates 100 clinics.

### Mutuality Strategy

The company creates access to affordable dental care through the following strategy: Offering highly standardised, low-cost treatments, which can be paid in 12 interest-free instalments, and are cross-subsidised by higher price, high-quality treatments for more affluent patients. Sabka's model also involves offering a reduced menu of treatments and performing them at a high volume.

Through mobile units, the company also additionally offers free check-ups for clients. This lowers the cost of treating cases that, if caught too late, would necessitate more expensive treatments.

### Unique contribution to EoM

The business model of Sabka Dentist contributes to health (human capital) by offering no-compromise quality dental care at lower costs.

Within the company, where the majority of employees are women, mutuality is practised by offering flexible working hours (such as part-time work) to accommodate personal responsibilities.

The company also created an online platform where all resources on the company's strategy are freely available.

### Performance

- Financial: A profitable dental care chain with 100 clinic and successful growth.
- Shared Financial: Lower cost dental care for those in poverty improves livelihoods. Offering access to credit through partnership with finance institutions is profitable for creditors and useful to patients.
- Human: The company has a large-scale training programme. In addition, 95% of employees are women; they are offered flexibility in working hours.
- Social: The radical focus on patient feedback creates trust. Sabka aspires "to be the answer to the standard question: can you recommend a good dentist near you?"

### Prognosis

The financial sustainability represented through "average revenue per patient" is considered the least important KPI of the firm. The purpose-centric culture of Sabka Dentist is at the core of this prioritisation: the objective is to deliver dental care to the masses first (KPI1), but operating under the assumption that doing so in the right way (KPI2 and 3) will allow them to be profitable (KPI4).

This case suggests that a successful business can be built by addressing and integrating diverse target populations' specific pain points (e.g., access to credit, access to affordable dental care and access to high quality care).

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# Sabka Dentist: Taking accessible dental care to scale

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## About the company

Sabka Dentist is the largest chain of dental clinics in India. It specialises in providing affordable dental care services to people. Currently Sabka Dentist runs 112 company-owned dental clinics in India, with 250 dental chairs, more than 500 dentists and 1,500 people. The company is active in Mumbai, Pune, Ahmedabad, Surat and Bangalore, and serves approximately 300,000 patients every year. The company reports strong revenue growth, increasing from \$187,000 thousand in 2012 to \$8.1 million in 2016.<sup>1</sup>

The company's mission is to provide affordable dental care to all people in India, with special focus on the poorest members of the urban population. This goal was the main

driver for creating Sabka Dentist's innovative business model, which uses a low capital expenditure model—as exemplified by the small clinic size and focused menu of procedures—to make dental care accessible for everyone. The company owner and founder, Vikram Vora, used to sell dental equipment to doctors as a marketing representative and established MyDentist in 2011. In 2016 the company changed its name to Sabka Dentist. Since then, the company has expanded rapidly.<sup>2</sup>

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1. "Sabka Dentist – Innovative Low Cost Business Model – 2017," Healthcare Business International, <https://www.healthcarebusinessinternational.com/awards/samsung-innovative-low-cost-business-model-finalist-2017/>

2. Preethi Chamikutty, "MyDentist, the dental startup that follows best practices of FMCG, retail and healthcare industry," Yourstory, 6 September 2013, <https://yourstory.com/2013/09/mydentist-the-dental-startup-that-follows-best-practices-of-fmcg-retail-and-healthcare-industry/>

## Mutuality strategy

Although all people need it, dental care is an often overlooked and unaffordable component of overall health and wellbeing. With a dentist to population ratio of 1:10,000 in urban areas and 1:150,000 in rural areas, most Indians have no access to basic oral health services.<sup>3</sup> Despite some improvements in enabling access to dental healthcare, there are still many disparities between rates of dental diseases and access to dental care in India.<sup>4</sup>

In response, Sabka Dentist focused on human capital creation for the dental care ecosystem. To this end, Sabka Dentist first developed a more efficient model that enables clinics to offer affordable access to dental service. The company estimates that it reduces the cost of treatment by 40% compared to competitors, enabling Sabka Dentist to offer more affordable prices. The company has since made the strategy to this successful model publicly available with the aim of equipping other businesses with the ability to treat as many people as possible.

At the heart of Sabka Dentist's approach is creating a high degree of standardisation, which enables operations to scale easily and to maintain a high quality of services. This, in turn, helps attract a wide range of customers. To make dental care more accessible, the company enables its patients to make payments in twelve interest-free instalments. In these credit arrangements, Sabka Dentist will pay the interest or will seek partnerships with finance institutions. Banks may also offer interest-free twelve-installment payments for dental care.



Figure 1: Key challenges of Dental Care in India

Another effective way in which Sabka Dentist facilitates dental care for the poorest patients is cross-subsidisation. Due to high standards and the quality of care, affluent patients have increasingly started coming to Sabka Dentist. To cater to these patients, Sabka Dentist has added a premium, higher margin offering (e.g., ceramic crown instead of metal or resin). More affluent customers typically chose the higher end service, which provides margin to subsidise smaller profit treatments for poorer patients. The prices charged to the poorest patients can then be reduced by up to 50%.

Additionally, Sabka Dentist offers free check-ups in clinics and through the use of mobile van units to create a better preventive environment. This enables patients to know about dental problems earlier, making treatment easier and cheaper.

When a similar company was started in the North of India, Sabka Dentist's CEO decided to share his entire strategy with them, including procedures, prices and technology, so they could provide affordable dental care better and faster, benefiting from Sabka Dentist's experience. When asked why he enabled a potential competitor, the CEO answered: "I want all Indians to have access to affordable dental care. What you call competition, I call people working towards my purpose for free so I help them if I can." He has since created an online platform where all these resources are freely available to the public.

3. S.Tandon, "Challenges to the oral health workforce in India," *Journal of Dental Education*, 2004, 68:28-33.

4. Ramandeep Singh Gambhir et al., "Utilization of dental care: An Indian outlook," *Journal of Natural Science, Biology and Medicine*, July-December 2013, 4:2. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3783767/>

## Contribution to human, social and shared financial capital

In the area of human capital, the company has a three-pronged approach. Firstly, the clinic enables massive training programmes of detailed procedures, facilitating consistent care. Sabka Dentist organises continuous education programmes for its dentists. This also includes a plus-one invitation for each dentist to offer a free training to an external colleague. Trainings to improve the quality of dental care are provided to the whole industry and not just the company itself. By offering trainings not only in-house, but also to doctors outside the clinic, Sabka Dentist tackles the low quality of dental care and human capital creation at the same time.

Secondly, Sabka Dentist has worked to recruit and retain female employees. Ninety-five per-cent (95%) of employees are now women. In India a high proportion of graduating dentists are female, but they often do not practice. To address this and make workspace more attractive for women, the company has been built around their preferences for flexibility. This is an important factor, especially in India, because more women are being included into the workspace, while addressing Sabka Dentist's need for skilled workers.

Thirdly, Sabka Dentist's model contributes to a better distribution of human resources and treatment of patients. Regular check-ups not only decrease the severity of interventions, but also enable an improved structuration of personnel because employees are able to save time and treat more patients in shorter intervals, thereby making dental care more available. This is an important factor because of the disproportionate ratio between the number of patients in need of dental care and the number of dental doctors.

In terms of the social capital contribution, Sabka Dentist expresses its aspiration to "answer the standard question: can you recommend a good dentist near you?," thereby revealing a radical focus on patient negative feedback to create stronger trust between the clinics and the people. Sabka Dentist seeks to improve shared financial capital by lowering the cost of dental care, which decreases household costs. Access to credit through partnership with finance institutions also increases access.

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## Performance metrics and performance

Sabka Dentist has invested in establishing a set of KPIs that go beyond a focus on financial performance. These are listed below in order of importance:

1. Purpose: Number of patients treated
2. Quality (inside-out): In-house surprise audit score (out of 200)
3. Quality (outside-in): Patient satisfaction score (likelihood that patient will recommend clinic to family and friends)
4. Financial Sustainability: Average revenue per patient

These metrics are used to guide management decisions. Both the CEO's and the managers' performance and variable pay are indexed on these four KPIs, with the highest weight on the first (purpose metric).

These KPIs are driven into every level and management decision: Who to promote? What clinic to close? Where to allocate resources? When a clinic fails on KPI1, it triggers an immediate audit and intervention. If issues are not sufficiently addressed within nine months, the clinic enters the "red alert zone" (receiving more marketing and more senior doctors) for three months. If it still does not achieve the target-number of patients, it will be closed. The purpose metric (the number of patients treated) is thus used to ensure a responsible allocation of the firm's resources.

As a further example, KPI3 reflects a radical focus on patient experience and feedback. There is a feedback link on the website that directly emails the CEO. In addition, a random sample of patients get called back by phone, where specially trained personnel tease out negative feedback in a society where people are often reluctant to say bad things about their doctors.

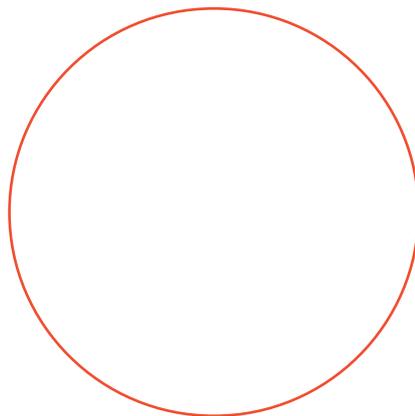
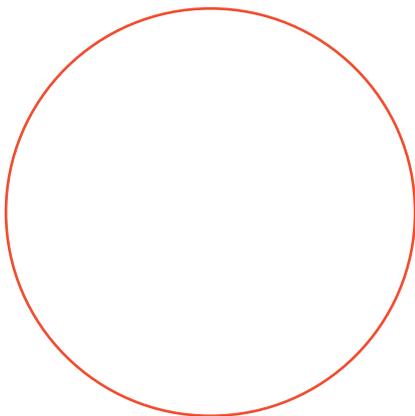
Each strategy deployed by Sabka Dentist essentially addresses these performance metrics. Quality is thus addressed through high levels of standardisation, which guarantees high quality and fast scalability of operations. Quality audits are thorough and led by an internal team with specialist trainings to get patient satisfaction feedback through phone surveys. Transparency is another important factor, which Sabka Dentist addresses by making all prices publicly available on its website.

On the financial side, Sabka Dentist's business model and strategy can be called a success. Firstly, the company witnesses steady growth. In the early stages, the company saw an expansion of two clinics per month. Now Sabka Dentist has a steady increase of seven additional clinics per month. Secondly, operations are not only a social impact success, but also both profitable and sustainable. Today Sabka Dentist is a lucrative dental care chain with 100 clinics.

## Prognosis

There are several explanations for this overall success. Sabka Dentist has sought a high degree of standardisation, low capital expenditure and standardised quality in order to make operations scalable. By scaling and increasing affordability, the company hopes to increase the use of regular check-ups across India and decrease the need for complicated surgeries, which are more expensive. In other words, enabling people regular access to dental care decreases their need for more complicated interventions. This is financially beneficial for both clients and the company. Thirdly, Sabka Dentist has found a way to subsidise even more of the dental care for the poorest patients (dropped prices by 50%) while increasing the offerings for more affluent patients.

Sabka Dentist expects to continue its performance and make dental healthcare affordable to all classes of people. Considering the social scale of the business, governments might also become interested and make a contribution by supporting this model in the future. A major challenge is to access more people willing to pursue dental studies in order to increase the number of dental doctors, given the large disproportionality that exists within the Indian society. Despite this challenge, considering the existing evidence, Sabka Dentist expects even more growth in the future. Building on the lessons learned through careful observations and the patient services at Sabka Dentist clinics, the business is likely to adapt quickly to potential upcoming challenges.





Saïd Business School at the University of Oxford blends the best of new and old. We are a vibrant and innovative business school, but yet deeply embedded in an 800-year-old world-class university. We create programmes and ideas that have global impact. We educate people for successful business careers, and as a community seek to tackle world-scale problems. We deliver cutting-edge programmes and ground-breaking research that transform individuals, organisations, business practice, and society. We seek to be a world-class business school community, embedded in a world-class university, tackling world-scale problems.

### **Mars Catalyst and the Economics of Mutuality programme**

Mars' approach to business has long since been guided by five principles – quality, responsibility, efficiency, freedom and mutuality. Together they inform and guide the actions of all Mars associates every day as they do their jobs and interface with the outside world.

The origins of the Mutuality principle go back to 1947 when Forest Mars Snr, who led and grew the business through the 1920's to the 1960's, wrote a letter to all 500 associates of the company that said "the sole purpose of the company is to create a mutuality of benefits with all stakeholders that the company touches; from suppliers to customers as well as governments and competitors and naturally associates and shareholders." This far-sighted thinking, that the company could only be successful if everyone around the company was being successful, has been a cornerstone of Mars' business philosophy ever since.

Mars has therefore always been interested in how it can best live up to this principle; and to find new ways of driving mutuality with all stakeholders it touches. This led to Mars'

leadership tasking its economic research unit, Catalyst, to start new work into unexplored territory for business; to identify critical drivers of mutuality and, using business pilots, to develop and test new metrics and management practices that can help boost mutuality in business situations. This work has been called the Economics of Mutuality.

This work has established promising links between increasing social, human and natural capital (that can be measured with simple & stable metrics) and a corresponding increase in financial capital – demonstrating how a company can do both good and well at scale. A number of pilots have now been completed in the areas of micro-distribution, the employees of Mars and in agricultural development that suggest that these relationships are true in different places and situations.

### **The Oxford Mars partnership**

On the back of these promising findings, a multiyear partnership with Oxford University's Saïd Business School was established in 2014 to focus on the development of a business management theory for the Economics of Mutuality with corresponding teaching curriculum, new management practices, and case study research. The research programme has combined the pursuit of normative questions – what is

mutuality and how should it be enacted? – with grounded, ethnographic research on current thinking and practices. This has led to the development of field experiments and case studies examining how large corporate actors conceive of and pursue responsible business practices, and how these relate to their financial and social performance.

### **Mutuality in Business**

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