

Mumbai dabawalla logistics essay sample

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A dabbawala (one who carries the box), sometimes spelled dabbawalla or dabbawallah, is a person in the Indian city of Mumbai whose job is to carry and deliver freshly made food from home in lunch boxes to office workers. Basically they are the Tiffin box carrier. The dabbawala originated in 1880, when India was under British rule. Mission of the Dabbawalas is “ to server their customers on time”

They are the delivery persons responsible to deliver the home made food to the customer at the desired location and time. Instead of going home for lunch or paying for a meal in a cafe, many office workers have a cooked meal sent either from their home, or sometimes from a caterer who delivers it to them as well, essentially cooking and delivering the meal in lunch boxes and then having the lunch boxes collected and re-sent the next day. This is usually done for a monthly fee. The meal is cooked in the morning and sent in lunch boxes carried by dabbawalas, who have a complex association and hierarchy across the city.

A collecting Dabbawala on a bicycle A collecting dabbawala, usually on bicycle, collects dabbas from homes or from the dabba makers. The dabbas have some sort of distinguishing mark on them, such as a color or symbol. The dabbawala then takes them to a designated sorting place, where he and other collecting dabbawalas sort (and sometimes bundle) the lunch boxes into groups. The grouped boxes are put in the coaches of trains, with markings to identify the destination of the box (usually there is a designated car for the boxes). The markings include the rail station to unload the boxes and the building address where the box has to be delivered. At each station, boxes are handed over to a local dabbawala, who delivers them. The empty

boxes, after lunch, are again collected and sent back to the respective houses. This service was originated in 1880. In 1890, Mahadeo Havaji Bachche started a lunch delivery service with about 100 men. In 1930, he informally attempted to unionize the dabbawallas. Later a charitable trust was registered in 1956 under the name of Nutan Mumbai Tiffin Box Suppliers Trust. The commercial arm of this trust was registered in 1968 as Mumbai Tiffin Box Supplier's Association. The present President of the association is Sopan Laxman Mare. Nowadays, the service often includes cooking of foods in addition to the delivery.

MAJOR KEY POINTS

- History : Started in 1890
- Charitable trust : Registered in 1956
- Avg. Literacy Rate : 8th Grade Schooling
- Employee Strength : 5000
- Number of Tiffin's : 2, 00, 000 Tiffin Boxes i. e 4, 00, 000 transactions every day
- Time taken : 3 hrs
- Total area coverage : 60 Kms to 70 Kms
- Error Rate : 1 in 16 million transactions.
- Six Sigma Performance (99. 999999)
- Technological Backup : Nil
- Cost of service : Rs 250-300 per month i. e \$6. 00 per month
- Rs 30 Crore Annual turnover i. e. 6. 5 million dollars.
- No strike record as each one is a share holder.

MAJOR FEATURES OF SUPPLY CHAIN:

- Zero % fuel
- Zero % investment
- Zero % modern technology
- Zero % disputes
- 99. 99999 % performance
- 100% customer satisfaction.

SUCESSES FACTORS:

- Low cost delivery
- Delivery reliability
- Decentralization
- Perceived equality
- Suburban railway network

ORGANISATIONAL STRUCTURE

CODING

VLP: Vile Parle

(Suburb in Mumbai)

9E12: Code

for Dabbawallas at

Destination

E: Express Towers

(Bldg. Name)

12: Floor No.

E: Code for

Dabbawallas at

Residential station.

3: Code for Destination station

(E. g... Nariman Point)

SWOT ANALYSIS

Strengths:

- Simplicity in organization with Innovative service
- Coordination, team spirit, & time management
- Low operation cost
- Customer satisfaction
- Low Attrition Rate

Weaknesses:

- High dependability on local trains
- Funds for the association
- Limited Access to Education

Opportunities

- Wide range publicity
- Operational cost is low
- Catering

Threats

- Indirect competition is being faced from caterers like maharaja community
- Indirect threats from fast foods and hotels
- Change in timings
- Company transport
- Ticket restaurant

JOURNEY

10: 34-11: 20 am

This time period is actually the journey time. The dabbawalas load the wooden crates filled with tiffins onto the luggage or goods compartment in the train.

11: 20 – 12: 30 pm

Re-arrangement of tiffins takes place as per the destination area and destination building.

1: 15 – 2: 00 pm

Here on begins the collection process where the dabbawalas have to pick up the tiffins from the offices where they had delivered almost an hour ago.

2: 00 – 2: 30 pm

The group members meet for the segregation as per the destination suburb.

2: 48 – 3: 30 pm

The return journey by train where the group finally meets up after the day's routine of dispatching and collecting from various destination offices

3: 30 – 4: 00 pm

This is the stage where the final sorting and dispatch takes place. The group meets up at origin station and they finally sort out the tiffins as per the origin area.

KEY FACTORS

- Supply chain logistics and efficient reverse logistics
- The concept of Multi-level coding
- Time Management
- Customer Relationship Management
- Customer Satisfaction
- Cost effectiveness

BEYOND SIX SIGMA

- Access Of Home Made Lunch In Time 365 Days a Year To almost 2 Lacs Busy Working Professionals.
- Most influenced meal distribution system
- Working for last 118 yrs without even a single off.
- Six Sigma Certified.
- Although Six sigma rating implies that they have an error rate of 3. 4 errors per million transactions, the fact is that Dabbawala have error rate of 1-2

errors per 6 million transactions. Accuracy rating is 99. 999999. More than Six Sigma. •Most ingenious meal distribution system.

FUTURE IMPROVEMENTS

WHEN THEY CAN DO IT WITHOUT TECHNOLOGY

WHY WE CAN NOT DO BETTER WITH TECHNOLOGY?

We have IT, we have ERP, we are all highly educated.... we should produce better results then ‘ uneducated Dabbawala’ SIX SIGMA IS A MUST FOR EVERY PROGRESSIVE ORGANIZATION

Use ERP / MIS to measure the defects and improve quality.

ENTERPRISE RESOURCE PLANNING – ERP

One simple and efficient way to make this system more full proof and untouchable is by introducing various modes of ERP and MIS.

ERP stands for Enterprise Resource Planning. ERP is a way to integrate the data and processes of an organization into one single system. Usually ERP systems will have many components including hardware and software, in order to achieve integration, most ERP systems use a unified database to store data for various functions found throughout the organization. The term ERP originally referred to how a large organization planned to use organizational wide resources. In the past, ERP systems were used in larger more industrial types of companies. However, the use of ERP has changed and is extremely comprehensive, today the term can refer to any type of

company, no matter what industry it falls in. In fact, ERP systems are used in almost any type of organization – large or small.

In order for a software system to be considered ERP, it must provide an organization with functionality for two or more systems. While some ERP packages exist that only cover two functions for an organization (QuickBooks: Payroll & Accounting), most ERP systems cover several functions. Today's ERP systems can cover a wide range of functions and integrate them into one unified database. For instance, functions such as Human Resources, Supply Chain Management, Customer Relations Management, Financials, Manufacturing functions and Warehouse Management functions were all once stand alone software applications, usually housed with their own database and network, today, they can all fit under one umbrella – the ERP system.

ADVANTAGES OF ERP

There are many advantages of implementing an EPR system; here are a few of them:

- A totally integrated system
- The ability to streamline different processes and workflows
- The ability to easily share data across various departments in an organization
- Improved efficiency and productivity levels
- Better tracking and forecasting
- Lower costs
- Improved customer service

MANAGEMENT INFORMATION SYSTEM – MIS

A management information system (MIS) is a subset of the overall internal controls of a business covering the application of people, documents, technologies, and procedures by management accountants to solve business problems such as costing a product, service or a business-wide strategy. Management information systems are distinct from regular information systems in that they are used to analyze other information systems applied in operational activities in the organization. Academically, the term is commonly used to refer to the group of information management methods tied to the automation or support of human decision making, e. g. Decision Support Systems, Expert systems, and Executive information systems. It has been described as, “ MIS ‘ lives’ in the space that intersects technology and business. MIS combines tech with business to get people the information they need to do their jobs better/faster/smarter. Information is the lifeblood of all organizations – now more than ever. ADVANTAGES OF MIS

- It facilitates planning.
- In minimizes information overload.
- MIS encourages decentralization.
- It brings Co ordination.
- It makes control easier.
- MIS assembles, process, stores, Retrieves, evaluates and disseminates the information

IMPLEMENTING THE DABBAWALLA’S SYSTEM IN NEW YORK- NYC

Basic expenditure aspects:

We need at least 10 employees to work.

Mode of transport would be trains and subways.

Initially the 10 ten employees will be working if we hire them at the basic pay i. e. \$ 7. 15/hour and take their service for 8 hours a day and five days a week. Total hours of their work would be 40 hours per week per employee. For 10 employees we have to pay for 400 hours per week.

So their salary would be \$ 286. 00 per person and the total salary for at the staff would be \$2860. 00 per week which leads us to \$11, 440. 00 per month.

Each employee would be accompanied by a train and subway pass which would result in \$200. 00 per person per month approximately which will have a total cost of \$2000. 00 for all of the employee.

Some extra cost we consider as \$1000. 00

So the total cost comes up as \$14, 440. 00.

If we consider having 200 customers initially and would like to make a profit around 25% on our services the basic cost for the each customer would be \$95. 00 to \$100. 00 per customer.

Thus for implementing the dabbawall's delivery system in NYC for 200 customers we need to charge each customer at \$ 100. 00 per month.