

# **SOUTH ASIAN JOURNAL OF MANAGEMENT RESEARCH (SAJMR)**

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**Chh. Shahu Institute of Business  
Education and Research (SIBER)**

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This issue of SAJMR is dedicated to the fond memory of Late Prof. Dr. A. D. Shinde a renowned Chartered Accountant and Founder of SIBER Trust. It was his vision and untiring efforts that has led to the creation of the educational empire in Southern Maharashtra. Number of students from all over the country and especially students of rural areas have been immensely benefited from the educational programs initiated by Dr. A. D. Shinde. In his memory on the first anniversary, Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister of India delivered the first memorial lecture. We are happy to publish this memorial lecture as a lead article in the current issue.

Keeping in view the interdisciplinary approach of the journal the articles ranging from the fields of economics, finance, marketing and health care services have been selected for the present issue. All these articles are comprehensive in their coverage and use latest statistical tools for analyzing both the primary and the secondary data collected. These statistical techniques include factor analysis, reliability test and techniques of hypothesis testing and others. We are sure this issue of SAJMR would provide an excellent reference material both for the researchers and students from different disciplines.

As a continuing feature of the journal we have incorporated a Case Study for the benefit of the readers. This is followed by a book review on Future of HRM. In all the present issue covers wide range of issues from management area along with a case study. It is expected that these articles will provide new insights to readers and thereby encourage them for taking up further research on these lines.

Dr. T. V. G. Sarma  
Editor



## NISARG Ayu Care and Panchkarma Hospital\*

By Dr. U. M. Deshmukh

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(\* Case developed by the author as a part of the FDPM at IIM, Ahmadabad, 6th June - 24th Sept. 2011)

Dr. Rajesh Thakkar, an Ayurved Consultant and Panchkarma Physician offered his medical services in Ahmedabad. He was also recognized as the Trustee of AyuTrust - an Apex body for Ayurveda Medication which conducted several Ayurved Camp, Conferences and promoted Ayurved Herb plantation etc in Ahmedabad. Vaidya Thakkar practiced in Ayurveda Sastra since 1996 and his belief in the Traditional medicine can be understood through his words.

With the invention of penicillin in 1928, more than 1000 groups of antibiotics crept in the market. Though they were successful in curing the diseases they have not helped much in prevention. When there are four people around a person with a highly contagious disease like TB, only one or two are prone to get the disease. Self- immunity decided the vulnerability of an individual towards any disease. This immunity is known as *Vyadhikshamatva* in Sanskrit which translated as "forgiveness of diseases". As the community became more health conscious due to the increased awareness levels, people believe in CARE than CURE. This has lead to the resurgence of Traditional medicines. Therefore, while 20<sup>th</sup> century medical sciences belonged to Allopathy, 21<sup>st</sup> century is for Natural medicines like Ayurvedha.

Dr. Thakkar completed his BAMS (Bachelor of Ayurvedic Medicina and Surgery) from Government Akhandanad Ayurvedic College,

Ahmedabad and started his practice with Out Patient Department (OPD) in Ahmedabad. In 2003, he took Franchisee from one of the Kerala based Herbal medicine company 'Nagarjuna Herbal Concentrates Ltd' which supported him in procuring ayurvedic medicine. He continued his association with them until he started working on his own venture.

His treatment was primarily for Infertility (25% cases), Arthritis (10% cases), Skin diseases (10% cases) and others such as Kidney failure, Cancer, Abdominal problem, Migraine, Neuro disorders and Asthma which constituted around (55% cases). Each patient required about 15-20 minutes time for investigation and consultation. On an average he met around 30 patients in a day. His consultation was from morning 11-1.30 pm and evening 6- 8.30 pm during week days. During the weekends he extended his service to nearby units in Mahesana on Saturday evenings, Patan (Palanpur) on Sunday mornings and Harij, his own village on Sunday evenings which were around 100-120 kms distance from Ahmedabad since 2000. Dr. Thakkar was involved in manufacturing ayurvedic medicines and designing instruments for the treatment.

His service procured him more than 12000 patients from all over the country as well as from countries abroad. His client base across years is given in Exhibit 1.

**Exhibit: 1. Number of Patients over 15 years**

<b>Year</b>	<b>Number of patients</b>	<b>Cumulative Number of</b>
1996-97	registered 397	patients 397
1997-98	958	1355
1998-99	1037	2392
1999-00	1187	3579
2000-01	879	4458
2001-02	904	5362
2002-03	887	6249
2003-03	763	7012
2004-05	513	7525
2005-06	676	8201
2006-07	987	9188
2007-08	817	10005
2008-09	658	10663
2009-10	949	11612
2010-11	537	12149

He had clients in 17 foreign nations, who were predominantly Gujaratis living in other parts of the world and their references. He had also launched the online health care delivery service,

nutrition tips for patients residing in foreign countries. Details of his clients in foreign countries are given in Exhibit 2:

**Exhibit: 2. Details of Foreign Clients**

<b>Country</b>	<b>No. of Customers</b>
London	25
America	81
Kenya	20
Dubai	28
Australia	78
European	26
Canada	36
Others	30

It was in late 2008 Dr. Thakkar came to know that 39 out of his 45 batch mates had started practicing allopathy mainly due to the challenges in convincing the market about ayurvedha. He also stated “Due to the high cost involved in the research, development, standardization and commercialization of the herbal medicines, Ayurvedic treatment had long been meant for premium customers. This made me to realize the need for an organized and unique approach to Ayurvedha which will effectively take it to the common masses. I wished to offer a blend of 'Tradition with

Technology' without compromising on the basic principles of Sasthram”.

Though his mission was clear, he felt inadequate in terms of his readiness to take up the venture. To equip himself, he underwent one month training on July 2009, sponsored by the Ministry of MSME (Micro, Small and Medium Enterprises) at the Centre for Entrepreneurship Development, at Gujarat. To step into the world of Management, he acquainted himself with the guiding philosophies such as Cash Flow, fund flow, Government Policies and guidelines for new project. He pursued a short course on

Import and Export Documentation procedures through MSME. He also improved his English Communication Skills with the help of a Cambridge Certified Course run by Gujarat Government.

Further to this, he studied the set up of over 28 Institutions across the country including, Central Drug Research Institute, Lucknow; Dabur Research Foundation, Ghaziabad; Himalaya Drug Company, Bangalore; Institute of Medical Sciences, Faculty of Ayurveda, Varanas; Institute of Postgraduate Teaching and Research in Ayurveda, Jamnagar and the like. He travelled extensively to understand the functioning of over 55% of the country's Ayurved Institutes. Though he had to forego around 5% of his income in such additional efforts, it enhanced his knowledge about the Industry practices.

Dr. Thakkar realized that his dream project required a large fund which cannot be generated without the support of public agencies. What was a 50 lakhs project in 2004, by now became a one crore project. He approached the bank with a detailed proposal of Critical Management Analysis (CMA) which was a 150 page project feasibility report, seeking Rs. 97 lakhs. The bank refused to sanction the amount stating that the maximum funds allocated for projects on ayurved is 20 lakhs. He contacted several higher officials of SBI, consulted with experts, revised the proposal and managed to get an approval for 86 lakhs. This in turn gave him a liability of Rs. 1.75 lakhs to be paid as Installment to the bank from the April, 2011.

While over 70% of funds were provided by the bank, he had the responsibility to raise another 30% of the funds. He contacted his friends and well wishers and generated 30 lakhs from them and invested another 25 lakhs from his personal savings.

The project was named as NISARG meaning NATURE. It started functioning from 11<sup>th</sup> March, 2011 under four divisions.

- i. Ayurvedham – It was primarily aimed at providing consulting services for the ailments of patients with panchkarma treatment.
- ii. Aushadham- This pharmacy division was started to support the panchkarma treatment

with suitable ayurvedic medicines.

- iii. Nisarg Arogyam- This division provided eco friendly ayurvedic health care products such as tooth paste, hair oil, shampoo, baby care, beauty and skin care products
- iv. Nisarg Yantram- This division dealt with the design and development of instrument and equipment used in Ayurvedic Treatment

Dr. Thaakar designed the new unit with the several key features. All healthcare services came under one roof which was the first of its kind in Ahmedabad. The interior of NISARG was designed aesthetically, presenting itself more as a health care centre than a hospital. Like any Multi specialty hospital in the town, the Centre had provision for consultation from other super specialist (ayurvedha) from Ahmedabad. The centre had two additional consulting rooms to accommodate the services of visiting doctors. The centre housed over 360 classical medicinal products of which 60 were proprietary products with trademark. Next year organic products were planned to be introduced in Aushadham division.

Dr. Thakkar also managed to acquire a contract from Maharashtra government through his tender submitted for supply of Ayurvedic medicine at Akola Ayurveda College for Rs. 1.57 lac in May 2011. He was successful in getting repeated contracts for Rs. 40000 every month since then.

It was at this juncture that in one of the Ayu Trust Association meetings held in July 2011, did he get across his fellow colleagues in the field. While they appreciated his works, five of them showed definite interest in emulating his success in their areas through Franchisee Business.

Dr. Thakkar was happy that his dream had come true. But he found himself to be hard pressed by time and monetary commitments. He contemplated as to how to increase his customer base and revenue base. He planned to study the revenue pattern of his business and make the crucial decision, on its expansion strategies. He wondered whether at this budding stage of Nisarg, expansion through Franchisee would be suitable for its future? (His business turnover across his years of service is given in Exhibit 3 and 4)

**Exhibit: 3. Revenue Generated**

Year	Revenue (Rs. Lakh)
1997-98	1.10
1998-99	1.30
1999-00	1.70
2000-01	1.80
2001-02	2.80
2002-03	3.20
2003-03	3.80
2004-05	4.20
2005-06	4.70
2006-07	6.00
2007-08	8.00
2008-09	9.50
2009-10	13.50
2010-11	18.00

**Exhibit: 4. Revenue after March 2011**

Month	Revenue (Rs. Lakhs)
April	2.03
May	1.90
June	2.10

**Teaching Objectives:**

The case deals with the New Service Design and Development Challenges of Dr. Thakkar in the unexplored field of Services Industry. The case on NISARG Ayucare Hospital can facilitate the learning of the student in the following Service management dimensions:

- Challenges of Service Design
- Stages in New Service Development
- Service Expansion Strategies