

Zen – A Case of Sanitized Capitalism that made a difference

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Abstract

Zen a name derived from the Japanese phrase “Kaizen” which means constant improvement for higher efficiency remains true to its origin. It is a sociopreneurial start-up by students of Symbiosis Center for Management studies, Pune started in 2014 with the intent of learning the reasons behind the sad state of sanitation in India and trying to bring about a change in the situation. Over the course of the last two years, the organization identified a number of key issues of focus and a differential approach that could be taken in order to tackle them. One of them was menstruation. On the basis of a survey conducted with over 300 women of varying ages in and around Pune, and the literature derived which states that only about 12 percent of India’s women use sanitary napkins and the other 88 percent resort to the utility of clothes, ashes and even leaves for the purpose of sanitary hygiene, the team identified the need to make affordable sanitary napkins available at places where women found themselves comfortable to buy napkins from. The team of Zen started with 4 volunteers and expanded to 13 within a year of operations. Methodology was that the team split across 30 schools and sessions ranging from 2 to 4 hours were held for crowds ranging from 30 to 300 school kids. The volunteers of Zen form a major part of Zen’s operations as they do the crucial job of educating individuals at the bottom of the pyramid. Using Process Efficiency Zen has been instrumental in collaborating with 30 schools in the city so far, interacted with 1500 girl students and supplied napkins to over a thousand students.

Key Words- Sanitation, Process efficiency, schools, volunteers.

Introduction

Zen a name derived from the Japanese phrase “Kaizen” which means constant improvement for higher efficiency remains true to its origin. It is a sociopreneurial start-up by students of Symbiosis Center for Management studies, Pune started in 2014 with the intent of learning the reasons behind the sad state of sanitation in India and trying to bring about a change in the situation. Over the course of the last two years, the organization identified a number of key issues of focus and a differential approach that could be taken in order to tackle them. One of them was menstruation. On the basis of a survey conducted with over 300 women of varying ages in and around Pune, the team identified the need to make affordable sanitary napkins available at places where women found themselves comfortable to buy napkins from. In the case of young girls, it was schools. Zen managed to compete against major players in the industry by partnering directly with manufacturing units in the vicinity of Pune. The organization

remained largely asset light and required no investment to be launched as every part of the supply chain was outsourced to competitive players who did it at prices much lower than retail rates. To put it in perspective, Zen managed to make pads available for about 20 Rupees while ensuring a 30 percent profit with its closest competitor’s product being sold at 35 Rupees. A key part of what enabled the organization to keep prices low was the fact that they ensured no middle men were involved.

Literature Review

World Bank data (2015) has revealed that only about 40 percent of India’s population has access to improved sanitary facilities. According to the data derived from www.wsp.org it is found out that over 54 trillion rupees are lost annually in the country to sanitation related diseases and issues. As per the article in www.bloomburg.com, it is believed that only about 12 percent of India’s women use sanitary napkins. The other 88 percent resort to the utility of clothes, ashes and even leaves for the purpose of sanitary hygiene. This has great repercussions on the health of the woman and her family at large. As per the Harvard Business Review (2014) conventional forms of capitalism focused solely on profit. Zen’s primary motive was to create a change in the way women handled menstruation and raise awareness while remaining sustainable.

Need for the Study

According to the World Bank data base only about 40 percent of India’s population has access to improved sanitary facilities. With a rank of 102 in the Social Development Index, the country stands in a position where its citizens remain dependent, 7 decades after it attained independence. While one could point out to contributory factors such as poverty, income inequality, illiteracy and a growing economy. While the government has been pro-active with its Swachh Bharat Abhiyan, private enterprises have stayed away from trying to tackle the problem over the years. Reasons vary from a lack of profitability to heavy requirements of investments; poorer sections of society have been paying a heavy price for the lack of initiative amongst the educated class for years. Since the woman plays the role of the homemaker in most of India’s society, she is often burdened with the job of ensuring that the needs of everyone in her family are met while making great personal sacrifices. She shies away from acquiring napkins from a healthy source either due to economic reasons or the taboo associated with it.

Methodology Adopted

Zen differentiated itself from other brands by its willingness to mobilize youngsters for the purpose of interacting with and educating young girls about the need for personal hygiene. The Methodology involved mobilizing youngsters and college students to become volunteers of Zen. In order to attain its target, the team expanded from 4 members to 13 last year. The team was then split across 30 schools and sessions ranging from 2 to 4 hours were held for crowds ranging from 30 to 300 school kids. The sessions were often candid in nature but largely backed by facts and scientific data. Since the sessions were not held by the teachers, students often found it easy to interact and relate with those holding the sessions. For the volunteers, this was an additional experience that helped them to expand their horizons as an individual. Key traits of leadership, empathy and a deeper understanding of societal issues were generated with each session. In order to further penetrate schools with an awareness campaign and the intent of ensuring more school girls used pads the organization partnered with Teach for India and expects to expand its base to over 500 schools this year. The team of Zen is all set to hit over a 100 this year as the organization collaborates with colleges in seven cities for the purpose of expansion. The volunteers are a major part of Zen's operations as they do the crucial job of educating individuals at the bottom of the pyramid about the utility of better solutions for personal hygiene and medical care. Additionally, the volunteers are a strong source of inputs in regards to what issues should be focused on and a differential approach towards tackling them. While functions like manufacturing and supply could be done in-house, the organization chose to give out these functions to efficient third parties in order to make zero compromises on quality and focus on scaling with minimal investments. Zen's model relied on volume to stay cost effective. Instead of supplying pads to individual consumers, the organization turned other partner organizations that focus on the same market; they clubbed orders by collaborating with schools to build volume. By doing so, the cost of logistics was split across 100 packets of pads at the least. Currently the organization acquires pads from its manufacturing partner, inclusive of packaging at 13 rupees. The logistics is taken care of by delivery men who otherwise work with food-tech start-ups to deliver food. They also work with low volume deliveries unlike trucks that require thousands of pads to be delivered in the same day. Orders are taken via phone from the schools in a periodic fashion and processed fortnightly. Emphasis is being laid on leveraging technology to enable educators to order and make payments relatively faster.

Philosophy

Zen's beginning can be traced back to a book by Mr C.K Prahalad : Fortune at the bottom of the pyramid and the motivation given by their teacher. The book talks of how volume based businesses that are inclusive of the poor will create the next generation of businesses that generate not only profit for its founders but also social impact. The organization believes strongly in the power of capitalism and its ability to reward those who bring value to the marketplace. While the world has often criticized capitalists for their greed and crimes committed to the environment and people at large, what often goes unnoticed is their ability to solve problems effectively for the long run. The organization is committed to always questioning its fundamentals and core principles for the sake of improvement while remaining glued to a singular vision of

societal improvement. Staying true to this statement, the organization intends to expand beyond solely focusing on menstruation this year. By leveraging inputs of stakeholders the organization is able to exponentially tackle issues that were otherwise rarely ever addressed in schools that cater to bottom of the pyramid.

Zen strongly believes in process efficiency and delivering the best to the end consumer. Emphasis is being laid on working directly with wholesale suppliers of medical goods to ensure school students attain all their needs at affordable prices. By doing so, Zen is attaining the dual goal of opening new markets to pharmaceutical suppliers and ensuring poorer sections of the society have access to relatively affordable medical products with no money going to middle men.

Empirical/theoretical results of the Study

Zen identified early on in its stage of inception that a key reason why sanitary products are not reaching all parts of society is the monopoly held by few players who cater to the middle class while ensuring massive profit. Zen's founders believed that even if even a small group of girls display active change in habit and continue to stay in schools as a result of their efforts, they would have achieved their objective. They were able to achieve this in their first year of operation and so far they have worked with 30 schools in the city interacted with 1500 girl students and supplied napkins to over a thousand students. Focusing on lower income members meant to create products that generate relatively low amounts in profit when accounting for the middle men that come in the supply chain. In order to tackle this, Zen directly interconnected factories and end consumers. Zen intends to utilize the current year for being a Pan-India organization catering to 10,000+ students. In the long run, Zen aims to establish itself as a player in the FMCG sector catering largely towards poorer sections of the society by ensuring process efficiency in manufacturing and supply chain while growing its base of volunteers.

Implications for theory and practice

Zen has been trying to tackle the issue of health and hygiene among young girls in Pune. It comprises of a team, largely run by students. This case study focuses on their approach to capitalism, organizational management and scaling while remaining largely bootstrapped. The purpose of this research is to highlight a paradigm shift in the approach of young individuals towards capitalism, wealth generation and personal fulfillment.

Conclusion

The authors hope that the case study presented here has communicated some of the issues and concerns associated with menstrual hygiene. The authors have tried to raise awareness and provide accessibility to the low income families for the usage of sanitary napkins. Zen can be considered as an economic experiment that has run well so far. It brings together multiple players in the industry, cuts out the unnecessary middle-men and engages consumers with the best products they could have, all while ensuring a fair amount of profit within pricing that is inclusive of poorer sections of the society. While countless organizations have focused on raising awareness, and a number of players focusing on making medical products that are inclusive of the poor, Zen is one of the rare that intertwines the two in a beautiful fashion and remains sustainable. It is this

unique nature of Zen that makes it different from a number of other players. Additionally, as more and more efficient volunteers with differential insights come on-board the organization is able to leverage their inputs towards solving issues more effectively and efficiently. Zen set out with the highest of principals and strongest of ideology with a mission to combine capitalism and social good. However, the team remains committed to scale and eventually being able to attain measurable social change at a national level.

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