

Business India

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MIDCAP MAYHEM

**Maximum value destruction
has been witnessed in this class**

Great value at good price

Mydentist offers dental procedures at standardised rates

Vikram Vora, 33, chief executive officer and founder, Mydentist, had his first tryst with the industry when he went from working in knowledge management at ICICI Bank to selling dental care products. A graduate in production engineering and management, he was now cold-calling doctors and spending hours at clinics – an experience which, he says, convinced him that there was a space in the industry for a clinic with standard operating procedures, as well as a standardised pricelist.

So, Vora set up TDC Dental Care, where dentists worked on the basis of a revenue-sharing model, rather than a salary model. "It was paying more money than what I used to earn in other jobs, so I was happy," he says.

However, after two years, a chance meeting with Anand Lunia, his former boss and chief financial officer, Seedfund, in January 2010 propelled him to think about how to scale the business. After drafting a thorough business plan, and several rounds of negotiations, Seedfund agreed to finance Vora's venture in December 2010, provided that it be incubated at the Seedfarm, since he did not have much experience with running a business. The incubation amount was ₹1 crore.

Vora set up five clinics to meet Seedfund's target by August 2011, and graduated from Seedfarm that October. Says Pravin Gandhi, partner, Seedfund, "Indians don't worry about dental care until it pains," adding that Seedfund saw an opportunity to build a profitable business that services a large population.

"Now, we are the largest dental chain in India," claims Vora. Seedfund has remained actively involved,

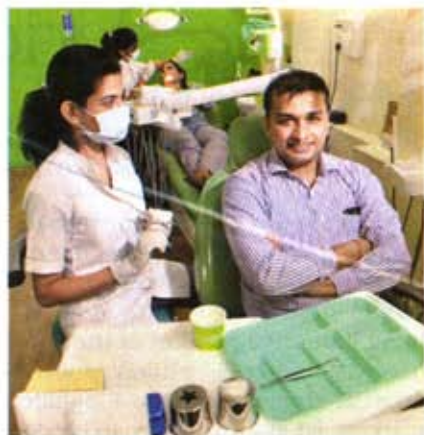
helping Vora rebrand the company, for which R. Sriram, co-founder, Crossword Bookstore, was brought on board. Vora is first concentrating on making the company a regional player in Western India. "There are more than a thousand stock-keeping units we have to manage," he says. In light of this, "the density of clinics over a smaller geographic spread" makes things easier to manage, operationally and in terms of the supply chain.

Strong support network

Moreover, a smaller marketing budget can be efficiently leveraged in this scenario, with a single activity or advertisement serving several clinics that are located close together. 70 per cent of Mydentist's business is sourced from referrals; it is more likely that people in the same city recommend a clinic to friends, than it is for some in Mumbai to recommend a clinic to someone in Delhi. Vora also feels that focussing on a single geographic region helps create barriers for entry, thereby diminishing competition. He plans to set up 110-120 clinics in the next year, and reach 200-220 clinics by 2015.

Mydentist's core competence is its basic clinical dentistry offerings. The standardised prices for these are lower than similar options available elsewhere. For example, he says that a dental implant at another clinic of the same level would cost around ₹25,000, while, at Mydentist, it costs ₹18,000. Instead of a revenue-sharing model like the one Vora previously adopted, all dentists are employees of the company, and are selected by the firm's dental directors' council.

The average age of dentists is 29-30 years, about



Vora: serving the unserved

97 per cent of them being women. The company has a strict continuing education programme in place for them; while Mydentist does bring in consultants to perform more advanced procedures such as orthodontia or rehab, tie-ups with dental material companies help with training its own employees. For example, Biomet 3i, a company that supplies dental implants, trains Mydentist professionals to install them.

These tie-ups have achieved a strong support network for the company, which includes a cloud telephonic system, a healthcare management system, and a payment system that accepts all credit cards and allows for interest-free instalments.

"The healthcare industry is not customer-friendly," says Vora. Mydentist, however, has an offer where a patient can buy a preventive treatment plan for ₹1,000, availing of four free consultations, four free cleaning sessions, and 20 per cent off on dental treatments.

About 20,000 of these plans have been sold thus far and 5,000 orthodontic treatments have been performed, which, according to Vora, would not have happened, were it not for Mydentist. He cites the example of auto-rickshaw drivers, who have come in to get braces for their children. Dentists are proud of being a part of the company because of the kind of people they serve, he says. "Beyond being an organisation that provides great value at good prices, we serve the unserved."

• MANSI MEHTA

FACT FILE

Total number of clinics:	40
Cost per clinic:	₹30 lakh
Total funding from Seedfund (first round):	₹8.5 crore
Total number of dentists:	150
Total staff strength:	415 (keeps changing)
Total customers serviced till date:	150,000