

Entrepreneurial Training & Dental Professionals: An Educationist's Perspective-2

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INTRODUCTION

Indian dentistry market is changing rapidly. Present market is witnessing entry of corporate groups, global players and MNCs which are pitted against a very immature and undeveloped indigenous dental health market. Let's take examples of current trend in the Indian dental market segment. About 95% of dental practices are solo operatives. Anurag Dubey (associate director of the health care practice, Frost & Sullivan) pegged the Indian dental market approximately a US\$740 million in 2010 and has the potential to reach US\$1.3 billion by 2015 trending a compounded growth rate of 12%. Amarinder Pal Singh is CEO of Star Dental India which operates clinics under the brand name 'Clove'. They are aiming at opening up 300 specialty clinics in India by 2017. According to Vikram Vora, (CEO) 'MyDentist' provide services to around ten thousand patients per month which makes it the largest. Merger of Axis Dental with Narayana Hrudayalaya Dental having around 60 clinics are examples of corporatization of this market segment. Alliance group has around 30 clinics and targets to increase that to 100 by 2015(1).

Now the question arises whether the dental schools in India are equipped to produce graduates who are future ready to face this challenge of supra normal competition from corporate business models and international players? Because the facts show that India has a skewed representation of dentists in favor of the cities and only a handful among 30,000 graduates produced in India every year will have the opportunity to be a part of this development(2).

The dentist/population ratio is approximately 1:10,000 in urban areas and 1:250,000 in rural areas (3). And clinicians and chains alike are more hesitant to set up shops in the rural areas, according to the Dental Council of India. An estimated 50% of the Indian population has

never visited a dentist, though 70% suffer from dental diseases.

Hence Entrepreneurship education among Dental Professionals is gaining importance. Even stand-alone practices need management acumen among dental professionals or outside help of a business consultant or manager. Today Dentists have to be entrepreneurs for survival in this market of cut throat competition and a formal training can provide that tool to dentists in India for moving ahead in the cluttered market scenario. Again this could be an opportunity for dentists to look to and recognize other market opportunities, diversify the business and flourish. What we feel is a professional orientation towards business must be included as a compulsory part of curriculum of dental education because in most cases in India we see that dentists are forced to choose entrepreneurial venture in the form of private practices because of scarcity of jobs after graduation.

So let us try to understand the issues by asking some simple questions and finding their answers.

• What is the Role of Entrepreneurship Education for Professionally Qualified People like the Dentists in India?

Three of the most pertinent reasons can be listed as follows (4):

➤ Entrepreneurship education to make our dental graduates –'future ready', to confidently be the startup leaders who are well equipped professionals as well as business literates.

Dentists in India have very little choice but to embark on an entrepreneurial venture with a limited scope of service. As we all know that there are numerous reasons of failures of startup ventures, Dentists in such a case can wait for as long as they can by believing that it usually takes a very long time to be successful (without selling any new idea or innovation ahead of time) or they can take matters into their own hand by empowerment through entrepreneurship education.

Most often these dental professionals are faced with these problems:

1. They don't have a clue about where to start in order establish their practices. For example they do not know how to analyze the market,

understand the demand and return on investment. Often they presume that investing and opening up a glamorous shop would lead to a successful business.

2. They have no understanding about the business aspect of their trade. Examples are that they are novices about strategic finance, marketing and business policies.

➤ **Empowerment by entrepreneurship education will also assist professionally qualified dentists to evaluate other probable business opportunities.**

For practicing dentists who are successful, money rains. However to have a sound future dentists need to invest his hard earned money into sound financial propositions where there is calculated risks and good return on investment. A good understanding of business can empower a dentist as an investor or a venture in a diversified business propositions.

➤ **Entrepreneurship training also opens up the potential for professionally qualified dentists to develop and convert their own innovative ideas into profitable enterprises.**

Professionally qualified people often have unique business opportunities. Sometimes they are the innovators of unique products which have the scope of mass manufacturing and converting it into a good production industry. For example one can develop a unique design for a universal implant hand piece that can fit in a dental chair and be easily used to fit implant from any brand. This can turn out to be a game changer in the dental material and products industry and the innovator must know that he has to get the design patented for his own benefit at the first place.

• **Will entrepreneurship training empower Dentists to startup new ventures that can compete with corporate and global players?**

Entrepreneurship is suited for those people who can be patient, take risks in terms of investments and returns, not deterred by failure and have voluntarily chosen such a path as his/ her profession. But when we talk about dentists in India, it seems like a Hobson's choice and condition is like after taking rigorous training for 5 long years to become a dental graduate (a premium professional course) it seems very difficult to survive in the market with their practices generating average or below average incomes. Moreover the dental practice in India, especially in the cities and semi urban regions are influenced by so many factors like timing of the day, seasonal effects, festivals and number of registered and unregistered practitioners in the locality. There is a price war going on as the cost of a proper dental treatment seems unaffordable in most places in India so

the quality of treatment is compromised to cut costs. So often we find that the cream of spenders on dental treatment flock to showy expensive dental setups often by people who can invest a lot, without any means to guarantee treatment by a qualified practitioner.

However these dental graduates have some advantage when it comes to starting own venture. Broadly we can say that there are various breeds of entrepreneurs that can be called BOSI i.e. Builder, Opportunist, Specialist and Innovator (5). An Entrepreneur can be made of one or combination of more than one of these traits. These traits have been given different weights. Even if anyone claims that everybody can be an entrepreneur BOSI says, "Knowing whether Builder, Opportunist, Specialist or Innovator DNA is driving you (and your team) - and knowing what to do with that "entrepreneurial DNA" is game-changing." (6)

Moreover health professionals are considered as low risk clients by financial institutions (7). So it becomes relatively easier for such professionals to raise finance for startups and even convince financiers to diversify into businesses that are related to their core competencies; for example a dermatologist wanting to invest in a skin care product startup.

• **What is the role of government in creating opportunities in this field and how is dentistry seeing newer innovations in terms of business?**

There seems to little or no effort by the government to improve the plight of the dentists in India. Globalization of the economy has opened up the market where corporate and MNCs have captured the market to a large extent leaving small players to struggle. A large number of private players all over the market have made it impossible to regulate the market and thus the fluctuations in the costs of treatment are very drastic.

The number of government dental colleges (fixed number of seats) have almost remained same in the last 15 years however the number of private dental colleges (with huge number of seats) have grown exponentially (8). Again there have been doubts expressed by experts and general public (including students studying in these private colleges) about the quality of education and training imparted in these institutions.

Large number of rural and semi urban dentist positions are lying vacant in government hospitals because of the skewed nature of practice of the dental services (3). Practitioners are reluctant to start new practices in these areas because of the slow return on investment. Lack of awareness for oral health and hygiene is one of the serious deterrents for patient turnover. Other factors can be socioeconomic structure of these regions, literacy rates ethnic composition of the social groups and ease of availability of resources and dental materials at affordable costs.

• **How important is the dentist actually in this game?**

The whole process is woven around these professionals who are capable of delivering quality treatment and build up a reputable image for the organization. On the other hand if they fail to deliver, the organization suffers. Even though it is the organization in the corporate setting that is in the forefront, it becomes utmost important in this situation to recognize and reward the valuable human capital that is the backbone of the business. So issues of good governance, high performance work culture, talent retention & recognition and business ethics shall always remain critical issues for success of these businesses.

On the other hand solo players have to manage it all by themselves and some training to enhance this skill can always come in handy.

SWOT analysis of the current dental treatment market

Strengths:

- Large market size with lot of potential new patients
- Cost of treatment is quiet flexible and controlled by the practitioner
- Doctor Patient ratio is quiet low in the Indian context, that may lead to high patient turnover and higher income for the dentist
- Still open market in rural areas that can be tapped by new practitioners

Weaknesses:

- Increasing competition because of increasing number of dental graduates being produced by new colleges
- Skewed distribution of practices in rural and urban areas and hence cluttering of practitioners in urban locations
- Low paying capacity of rural patients leading to unstable practices of dentists
- Return on investment is low and slow for rural market

Opportunity:

- Lot of untapped market in semi urban and rural markets
- Government public health initiatives for awareness of oral health and its relation to general well being be spread, which would create employment opportunities for lots of graduates
- Opportunity for lab technicians and dental material businesses around growing number of dentists in a locality

Threats:

- Slow elimination of standalone practices from urban areas due to severe competition from corporate and multinational dental chains

- Competition from unregistered practitioner (quacks/street dentists) because of non serious implementation of government regulations
- Cost competition from quacks may lead to unethical practices by registered practitioners
- Unregulated prices in the dental material market

SWOT analysis of the current dental materials market

Strength:

- Large variety of materials available
- New products are showcased through Trade fairs and marketing in conferences
- A lot of materials are imported which are of very high quality and are preferred by the dentists now a days

Weaknesses:

- Quality of material available may affect the "quality of a dentist" perception of a consumer of dental services.
- Costs are unregulated in the dental material business
- Retailers are never found in large numbers near a practicing dentist, so cost of materials often is a cause of contention for dentists purchasing from nearby retailers
- Even dealers of these products are not easy to contact for many retailers so they buy from other retailers in bigger cities driving up the cost of materials
- Enhancement of knowledge about materials through workshops and seminars among practicing dentists is rarely seen in India. Mostly seminars and workshops are undertaken for skill enhancement.
- Information about actual costs of any variety of dental material is very difficult to obtain by users who buy in small quantities from retailers.

Opportunities:

- High quality costly products have an increased demand in the market because of the entry of new corporate and multinational players
- Demand for better quality materials and lab work has increased over the time along with betterment of knowledge about dental products and services among the educated urban population

Threats:

- High cost of good quality materials because of high import duty
- Indian manufacturers are very less in number that is competing in the market
- Unregulated market structure can drive up regional prices that may be highly taxing to the consumers pocket at the last user end i.e. the patient.

- Cost of startup is very high and transportation to distant and remote locations pose a severe threat in the form of driven up costs and maintenance services.
- Very little understanding of the chemistry of the variety of similar materials and the advantage and disadvantage of use or disuse of any specific one.

Examples that would help us understand the implications of the above arguments:

These are examples from Indian and international setups which hold immense potential and are important from a researcher's point of view for understanding the dynamics of the dental health market transition.

1) MyDentist (9) - It is one of the fastest growing indigenous dental chains in Mumbai Pune region. Vikram Vora is the chief executive officer of MyDentist, with 45 outlets across Mumbai, spanning up market Warden Road to far-flung Bhayender. According to Vora, each clinic fetches between Rs 300,000 and Rs 800,000 in revenue a month and Vora is targeting sales of Rs 50 crore (Rs 500 million) and 100 clinics by year-end. His dental chain successfully raised Rs 50 crore a few months ago in the second round of funding in the form of Seed fund, (which incubated it in 2009 for Rs 1 crore) and the Asian Healthcare fund.

USP for MyDentist according to Vora is "MyDentist has a standard pricing policy. It's like going to a coffee shop and ordering a cappuccino," For them to have a sustainable growth they have to be operationally at the top of their game. They are targeting Fashion conscious cosmetic dentistry sophisticated urban population in metropolitan cities only. Medical tourism is also a business diversification scope for these sophisticated urban chains. Currently MyDentist has no direct competitor but Axiss Dental is a chain that is expanding in the Delhi region. Clove Dental is an up market chain from Star Dental of US which plans on opening up 300 clinics in big cities all over India. Apollo Hospitals and Trivitron, which makes medical equipment, have together invested as Alliance Dental Care.

For MyDentist along with competition from competitors will have to face big challenges common to most retail chains such as maintaining operational excellence, retaining talent and management bandwidth and managing spiraling costs - especially that of real estate - in crowded urban spaces. As the chain mushrooms, these things become more difficult to manage. To develop a right sized organization that would be manageable without compromising on quality of products and services is the next big question for

the development of these organizations. Again these businesses seem to have a delicate balance between labor and capital intensively. A wrong expansion policy with miscalculated future returns forecast can damage the business irreversibly. Moreover diversifying into rural market seems quiet impossible for these chains in the near future.

2) Organizations are mushrooming that are focusing on providing assistances to dental professionals in effectively managing the business aspect of their practices. Practitioners' running practices with good number of patient turnover face a lot of problem in day to day operations of the business and with managing a good support team for the business. Naming few such organizations would include

i) "Dental Performance Institute - Dental Consultant in Chicago" which stresses on propositions like 'Is Your Dental Business "Performing" to its Potential?' **(10)**

ii) Dan K Richardson's Entrepreneurship Development Institute- that focuses on 'Make Your Dental Practice More Profitable \$ \$ \$ \$ - "Customized Training for Your Office' **(11)**

iii) 'Ashley Latter- Dental Sales Training' that runs an 'Entrepreneurship Club.' **(12)** Ashley coaches a select group of dentists, orthodontists and entrepreneurs who meet 4 times a year to develop entrepreneurial and business skills. Besides Ashley coaching and leading the workshops there are also outside speakers who present.

3) Proper qualification + Relevant experience = Opening up newer dimensions in the entrepreneurial game (13).

Let us take the example of Dr Sam Kherani (Dentist-57 years) pursuing an Executive MBA program at Wharton, San Francisco. This example is unique where Dr Kherani, a practicing dentist for 35 years in Toronto, sold off his practice and decided to pursue an MBA. The reason behind this bold decision being his new found interest to take forward his career in the field of 'Continued Dental Education by practicing professionals.' To accomplish his goal of launching a new form of 'continuing education for dentists' business, he felt a needed of getting a formal business education.

CONCLUSION

Today it is required to be a specialist to survive in the market but being deft in handling the management aspect of the business is equally important for sustainable development and growth of the practice. To have certain amount of control over the practice, it would be very useful for a dentist to have some formal training to enhance his business skills. This would not

only make his profitability better but also help him run a practice compliant with the government rules and regulations and be ethical in his practice.

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