



# Design Thinking in Startups

## A Case Study on Car Dhulao

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### Abstract

The Indian auto industry is the 4th largest in the world and contributes around 7.1% to the total GDP of India. India is 6th largest car manufacturer in the world<sup>1</sup>. Around 25 million registered cars till 2016, is a potential market for related services ranging from car accessories to car washing. Car washing in India is highly unorganized segment and has huge potential to explore but is full of challenges. Manpower, washing time, weather conditions, water scarcity, etc. are key challenges in this area. The story of Car Dhulao illustrates the basic principles of design thinking applicable in startups and also highlights the practices of the effectuation principles at every stage of its journey. This case also outlines the strategies to overcome several challenges, faced by a startup. It will be useful for Entrepreneurship Educators for understanding and application of “design thinking and effectual principles” with startup enthusiasts.

### Introduction

Design thinking is a creative way of problem solving. This process as presented in figure 1, is being taught at Stanford design school.

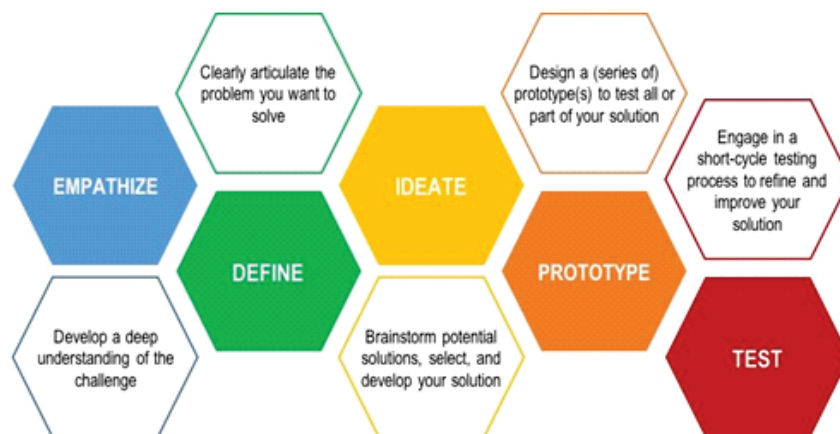


Figure 1: Design Thinking Process<sup>#2</sup>

<sup>1</sup><http://www.makeinindia.com/article/-/v/make-in-india-sector-survey-automobile>, accessed in July, 2019

<sup>2</sup> <https://www.oceanit.com/services/design-thinking/>, accessed in July, 2019

As per Motor Vehicles - Statistical Year Book India 2018<sup>3</sup> released by Ministry of Statistics and Programme Implementation, Government of India, total 25 million non-transport cars were registered till 2016 out of which 9 lacs cars were registered in Rajasthan. These numbers opens up a huge potential for allied services including car washing. It not only provides business opportunity to explore, but also provides a social opportunity to address issue of water saving through use of improved technology. Looking at the market, automobile companies and service centres are also trying to encash this opportunity with attractive offers. Nissan in India claims that it saved 95 million liters of water in four years through an innovative technique called Foam Wash. Even than availability of customized and organized car washing service has been a challenge in Jaipur city.

In today's scenario, the number of car users is increasing rapidly and they are not able to spare time to clean their car on their own and there is strong demand for car such services. Cleanliness is a major issue that car owners are facing. In some areas, car owners avail the services of a person who clean their car in the morning, but the services are not satisfactory in terms of quality and consistency. Mr. Deependra Singh and Mr. Pulkit Gupta observed potential business idea on this problem and they came up with a solution "Car Dhulao" and converted this idea into a startup. Today, this company has expanded to a one stop car service.

### **Background**

Mr. Pulkit Gupta used to help his father in his family business. He came across several times his father's dissatisfaction with irregular and unsatisfactory car washing by the hired labor. Pulkit realized it as a major problem of maximum car owners. Pulkit discussed the issue with his relatives and other known ones residing in other areas and identified the following problems.

- a) Car owners are working from morning till late evenings at the other places, so do not have sufficient time to clean their cars.
- b) There was no organized sector in the area of car washing services in Jaipur. Unorganized labor was providing this service on personal contacts.
- c) Most of the car users were not utilizing a car wash service from these unorganized labor due to safety issues.
- d) Wastage of Lot of water during car wash.

After observing these problems, Pulkit explored organized car washing services as a must have requirement for the car owners. With this, the idea of 'CAR DHULAO' was conceived.

<sup>3</sup><http://mospi.nic.in/statistical-year-book-india/2018/189>

### Service Offered

Pulkit used his own pocket money to begin with this idea. He started building upon the idea and surveyed the ongoing car wash services. He realized the need of trained manpower, technique of minimum water usage and soft cloth for cleaning. He partnered with Deependra and hired a boy. They started their services from their relatives and neighbors as their early adopters. Though, there were some issues related to timely service and cost.

Pulkit and Deependra decided to organize training sessions for labor and modeled a unique value proposition by providing one superwash along with five days cleaning service to their customer, as existing unorganized person was not providing this extra super wash service at same cost. As a result, they received an overwhelming response from their customers and they started promoting this service among their peer group. Further, to customize and to attract larger customer base, they offered following two types of services at affordable price point:

- i) Daily car wash (with or without superwash)
- ii) Alternate days' car wash (with or without superwash)

Initially they worked from their house. They used to start their work at 5 in the morning and made a schedule for their staff for the day. In this way they kept their start up cost to minimum.

### Challenges and Opportunities

After successful launch of 'CAR DHULAO', founders faced following challenges.

- a) Manpower retention at minimum cost
- b) Customer feedback related to quality and timely services
- c) Promotion of their service offering without spending

So they planned to hire people on part time, who have their worktime from 11.00 am in the morning and were looking for part time opportunities in early morning hours. They were trained well before putting on work. They used social media as their promotional & networking tool along with connect with their existing customer to send feedback through message or call so that services can be improved.

For promotion, they also decided to start referral service in which they offered discounts for both referee and the new customer. They also printed fliers and circulated in newspaper. One rational decision as early entrepreneurs they restricted their area of operation in neighborhood only.

The company services started working successfully but many challenges cropped up in process of routine services due to financial issues, so they stopped this service. Undoubtedly, It was not the failure of idea, but raising fund from the investor was neither the wise decision nor possible at this stage. Later, Pulkit arranged finance from his friends and started again with old team. They worked a lot and improved upon time of services, security issues and complaint handling.

They started sending messages to customers of arrival of car washer and confirmation message just after car wash. It was requested of customers not to handover the key but to unlock the car on request, from the room itself and to lock after car wash. These smart solutions converted this service reliable and zero complaint service.

After successful operations of two years, Deependra had some issues and lost interest in this venture and exited by selling his equity to Pulkit. It was again a challenge for Pulkit but he formed and expanded its team. He re-organized everything and hired a supervisor Zameel to coordinate the manpower on field. The venture was re-strengthened and continued its operations. Now, 'CAR DHULAO' has its coverage to around 250 customers and expanding to various other locations in Jaipur.

### **Future Plans**

The company is planning to launch an app to assist customers for car wash schedule and washing confirmation. Pulkit is also planning to make this service as one stop car shop in which all the car related requirements of car owners can be clubbed and fulfilled through the app. The company needs to work on increasing manpower to expand to all other parts of Jaipur city. This may require partnership with other people having expertise in the car servicing and allied services and sales.

### **Questions**

1. How Car Dhulao applied design thinking process in developing itself?
2. Discuss the effectuation principles were applied in this venture?
3. Discuss in brief the scope of expansion and future of Car Dhulao.