# Globalizing the Aravind Way and Aurolab

Tuesday, February 7, 2012

The MBA Invitation Lecture Series (MILS) was honoured to host Mr. Thulasiraj Ravilla, Director-Operations and Board member, Aravind eye care system for a lecture on " *Globalizing the Aravind way and Aurolab*" on 2nd February 2012. Mr. Ravilla is an alumnus of IIM Calcutta. He also serves as the head of LAICO-Aravind Eye Hospital Care System and the initiative "VISION 2020- The right to Sight-India".

Aravind's community activities

Aravind Eye Hospital was established in 1976 by Dr. G. Venkataswamy as an 11- bed clinic, dedicated to provide compassionate services for sight. To realize its mission, it was important for Aravind to understand the bottom of the pyramid. Mr. Ravilla stated that *"the poor are a lot more sensitive"* than what we presume them to be. The under-privileged have to manage fluctuating incomes and survive under difficult conditions.
As part of its mission, Aravind eye hospital organizes community activities in villages which occur as often as 2000 times a year. Villagers are tested in the camps and then taken to hospitals. These camps were able to reach around 6-7 lakh people per year. This seems to be a humungous figure as far as numbers are concerned, but as Mr. Ravilla said, percentage-wise the reach was just 7%. So, Aravind hospitals changed their approach and started thinking about a cost-effective solution to expand their reach.

The new approach
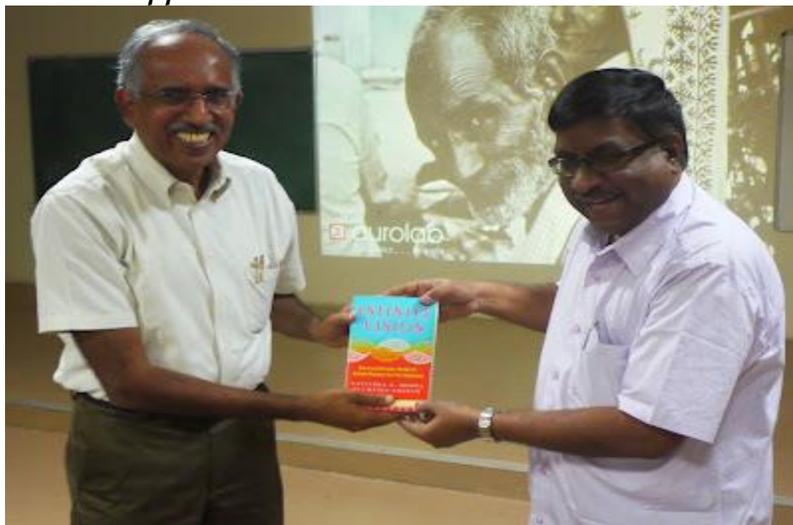
Mr. Ravilla with Prof. L.Prakash Sai

Aravind eye care along with its community outreach programmes, established permanent facilities in villages, staffed by technicians (as it is tough to get doctors to work in villages). These facilities allowed patients in rural areas to be remotely diagnosed by ophthalmologists at the base hospital. At the hospital, they incorporated plenty of cost-effective measures, one of which was low-cost imaging (reducing the cost from $25000 to $250). The entire consultation fee was just Rs.20. This programme was highly successful and achieved 80% penetration.

Emphasizing on the hospital's efficiency, Mr.Ravilla quoted that the key lies in "*utilizing the bottleneck resources fully*". In Aravind, around 6-8 surgeries are performed per hour as compared to a normal operating time of 1 hour for any other hospital.

Aravind's global footprints

From an 11 bed hospital in 1976, Aravind Eye care has grown into a 4000 bed hospital, housing a staff of more than 3000. A day at Aravind involves 1000 surgeries and more than 6000 outpatients which makes it the largest provider of eye care in the world. The hospital has received numerous international awards (including Gates Award) and there are case studies done by B-schools of the stature of Harvard Business School, IIM-A and many more. Mr. Ravilla elicited that their "*philosophy is not to strive for dominance, but to create a market*".

Aurolab- manufacturing arm of Aravind Eye hospital

Before citing the achievements of Aurolab, Mr. Ravilla explained how a modern cataract surgery is done. It gives normal vision without glasses by replacing the natural lens with an artificial lens called intraocular lens (IOL). When it was initially introduced, the price was $100 which the poor just could not afford. Aurolab, with its effective procedures, brought down the price to $10(now $2). Aurolab manufactures IOL, sutures, surgical blades and other equipments. Since its inception in 1975 as a non-profit organization, it has been instrumental in manufacturing innovative products like Latanoprost (Refrigeration- free medicine) and Vozole(anti-fungal eye drops). The impact of Aurolabs has been two-fold: increased availability and affordability; reduction in prevalence of cataract and other eye ailments. The high quality and low cost products of Aurolab have also forced the competition to do the same.

In a nutshell, Aravind eye care system is a coherent organization led by a bold leadership. As one of the best case studies, it gives us the lesson of going the extra mile and growing beyond individual self.

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