Reflection Piece 2 – Session 9

- **By Ashish Batheja (Section C)**

The highlight of this session by Prof Vipin, was the video explaining the difference between willingness to pay and willingness to sell, and how the dynamics work on both the sides.

Value being the difference between willingness to pay and willingness to sell. The stick measured value by placing willingness to pay on the top and willingness to sell in the bottom, and to maximize value, companies can take measures to stretch it from either side.

Another video shown in class explained that organisations should focus on their core competency. We also used our learnings from this class for our presentation on Nerolac paints, where after our analysis of the company, we ultimately noticed that Nerolac is trying to focus on other categories, where they are not a clear leader, and are being distracted from gaining excellence in its core competency area, industrial paints. Based on our learning from this class, our recommendation for Nerolac also was to not divert its focus and resources on non-competency areas, instead, focussing it on retaining its leadership position in the existing category.

Next Prof Vipin picked the topic, trajectories of change, which are as following:

1. **Radical Change –** this occurs when a company's ways of doing its core activities are threatened because of introduction of a newer technology/mechanism, which has the impact of obsolescence on the firm
2. **Intermediating Change –** occurs when buyers and suppliers have new possibilities as a result of unparalleled access to information. Industry's essential functions are in danger, yet

their core assets still hold the majority of their worth, this is one of the most difficult situations for a business.

3. **Creative Change –** occurs when relationships between buyers and suppliers are stable but a constant change is seen in assets.
4. **Progressive Change –** similar to creative change, but here core assets of industry are also not threatened. Eg. Walmart

Another major highlight for me was the concept of scaling, where we discussed the model difference between uber and Airbnb, where we understood how Airbnb's business model was based on such a system that could be applied anywhere, without having established ground teams working in particular target cities, whereas Uber's business model was based on clusters. For Uber to be able to operate in a city, they need to have ground teams working there.

This gave me a perspective as to think business like Airbnb, a model that could be applied with low fixed costs, leading to less pressure on financials. This will help me in understanding the kind of business model I want to go for if I start a platform business.