Strategic Management
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Strategy: Implementation in Organizations

Regarding the first question, we don't think that the company had any long-term strategic plans. What about short term? When it comes to decision strategy short term plans include: They were fighting on the basis of price, reverse engineering, wait and watch policy. As and when products come, try to analyze the product, find out what the market wants and accordingly change, flexibility regarding that and sometimes quality and a very strong R and D.
Anyone wants to respond to this? He says they did not have any long-term strategic plan.
Did he follow any business strategy?
Yes. I told you. Yes
They had a business strategy, short-term vis-à-vis reverse engineering, wait and watch, wait and watch policy some kind of quality image, strong R&D focus.
Any other question?
Yes
No, I think the explanation here is a textile mill may be using two hundred types of solvents but he is not going to a market for textile solvents. What he is doing, within textile he is selecting two or three which is near his area of expertise and just focusing on those. Hence it is a niche. Similarly rubber, there may be five hundred types of chemicals using rubber but he is not addressing all of them whereas there would be other companies who would have out of five hundred at least two-three hundred product portfolio for that market. They are not niche players. That is what it probably means.
Sir
Yes.
No let him answer. He is making a point. Let us hear the point.
Gentlemen, he is giving the framework of practicality. What he says, backward integration he is saying is when you are dealing in large volumes and you backwardly integrate for two reasons: one is costs okay second is threat of not getting the raw material, alright?
Everyone is talking together. Let us go one by one.
Okay would you like to hear my views? I don't agree saying that in a scalar operation, which we are working on; see any case that you discuss has to be within the framework of reality. It is a very small outfit you know, very small outfit today.
Let us hear Sharma.
Dr. Baddi might just be putting in two or three of the solvents and probably working on a niche market but the industry, which we decide to backward integrate, will not be working on that niche market. If it is satisfying it is needs which might be a lot of the solvents, that might justify it is back backward thing and if we have a input from a person who has experience in this industry. All right. Can we stop here and go on to the next? We have a time constraint, all right?

I have a few questions. You have but then make it short because we have a time constraint.

He doesn't have any expertise. Dr. Baddi has no expertise in drugs. Then he will have to tie up with Dr. Reddy, a joint venture, all right? I know but don't you see. Chemicals, there are hundreds of thousands of chemicals. He can't do anything. He has his area of expertise, within that he operates. If we go by this logic nobody will be able to diversify but there are so many companies, which diversify. He has a point. We'll stop now because of time. Give me that. Go ahead. Thank you very much.

Who is next? Come. Now you have your chance. He is here now. Take notes all right? Have you noted the time? I am going to be pretty ruthless now about the time. You have ten minutes so say exactly at thirty-five past you stop, okay? All right? Start.
Good afternoon friends. Good afternoon. Alright let us pay attention here please.

As the fifth group I would like to highlight a certain points first. I mean, these have been mentioned by the people but I just wanted to highlight them because they may have an implication in the thing we propose.

First thing is Baddi going for supply contracts at prefixed prices. He was not taking any risk and it had a prefixed rate justified and he has a long-term contract of four or five years. Second thing is he has an in house R and D. It may not be a full-fledged R and D but he was innovating in house. Thirdly as mentioned in the case, he went in for, he identified niche market with high profit and minimal competition. He had a close conversation with end users and since he identified the end users in specific pockets he catered to their age, he had collaboration with them and provided them the solutions. He had a very flexible product line. His scale of operation was small. He had an emphasis on quality and he was ready to move out of a particular market once the profit margins started dwindling. So whenever new players or local small players came in he was ready to move out of the market.

He had a pretty good relationship with his dealers and it since his clients where distributed all over the country he had to have a good network and he had to cater to those clients. And there are certain issues I want to mention and need to be clarified. First thing is the the the second half paragraph talks about the unit capacity. It talks aabout a single unit which he had and the capacity was constant from the times of it is setting up. It did not increase any capacity. We had sales figure which show an increase from eleven lakhs to some around two fifty lakhs. I don't know where those figures come from considering the capacity of the unit, which is constant.
One thing could happen is since it is a solvent industry, this raw material gets in and the process it does on the raw material is not good, it could be different for different solvents.

So, there is the case where this focus is shifting towards just a trader. He is trading something and sending out without any processing. It could happen. I don't know what has happened, what is happening over there. And if he gets into this kind of trading trading, then he is going to lose the thing he built on that is innovation and the quality. He just becomes a trader. Now in the particular industry we know that in the chemical industry very big players normally don't venture because they don't have a scale of operation, it is a very small scale of operation. So we don't have that much of a threat of a backward integration by these big players because they won't find it profitable to get into such a small industry.

But for Dr. Baddi, he cannot remain in this particular size. He has to increase because as such the size does not matter per se but now this is the industry wherein innovation counts. I mean you, your success is determined by how much you can innovate and to have this innovation one has to have size, one has to have the necessary funds to innovate.
Really? Anyway we'll discuss that later.
So second issue which is not in the case actually but the time in eighties before a chemical industry there were no environmental constraints.
One moment what is it?
Sir, it is group five.
Group five.
Yeah please continue.

What we radically propose for the company is to strive for growth. We understood, we understand it cannot go for all-out growth in the sense it cannot go for mass market. It has to remain in the niche market but it has to increase it is capacity. I mean we believe it is only the long term; it is only the growth, which gives you long-term profitability. Right now what he is pursuing is only short-term profitability: wherever he sees a market with a high profitability market he enters it and he gets the profit. But he doesn't have a long term, he has not identified the long term market where he is going to, he is going to remain there or he is going to sustain his position over there. He gets in, if the profit goes off he is ready to move out also. A new unit should be started in in a different strategic location. Right now he has a person in Cochin and who looks after his network over there because of the lot of clients there. He could start a unit there and he has only one unit in Ahmedabad right now. Second thing is we feel he should sustain out a continuous market presence. I mean just because a small player has come into a particular market and the profitability has come down he need not move out of it. I mean he if he gives a growth he increases his size he could definitely sustain the advantage and he has advantage in the innovative products and he has a very good relationship with the customers so he could definitely resist the competition by the small players.
Yes in fact that is it. We would stress on growth for the company. Thank you friends.
All right. Thank you. Any question?
No sir
You want my question.

His HR strategy, I mean it looks he is taking it very comprehensive; he has got good discipline when it comes to safety or work performance in the unit but overall there is no formalization in the sense, the case which he mentioned it looks good and sounds good but tomorrow if the company grows up will he be able to justify the action or will it not set a precedence where there may be so problems which should be catered to? And environmental monitoring. I mean there are two issues here. I mean in the competitive environment he has a good, in the technical sense when a new product comes up, he keeps a proper control, he keeps, he is on the lookout for his products, he gets I mean he reverse engineers, he waits and sees how the product is doing. He is ready to copy the product. It is very fine but he does not have a long-term lookout on the environment. I mean that could be an issue in the long term where it is the biological environment. In the eighties I believe the country's reputations were not so strong regarding chemical industry. Tomorrow it may so happen that these regulations would change. In the same

time there is another issue of, I mean international players coming into this industry because there are no regulation as strict as those countries. I mean these are the issues he is not looking out for.
Thank you sir
All right. Wait a moment. Let us have a few questions yes.

I have a doubt. You said one of it is strategy was move in and move out. As in, when the market was, the demand was not there, people move out easily out of out of the brand right? Now we are also talking about the growth. The company must grow. Do you think if the company grows in size will it be able to maintain it is strategy as in moving in and moving out?

Point I said was his strategy is to move in and move out. I want him to change the growth wherein I said I want him to sustain his position. I want him to fight back with these local players when he is in a position because compared to them he is a bigger player. He can innovate. He has the technical expertise. I want him to stay there. What he is suddenly doing is moving in and moving out.
Speak louder. Others can't hear you.
There is nothing given about the capacity utilization of this company in the case. So you are, you said that they should increase their capacity. On what basis you proposed it?

Basically the capacity, it has been said that, since seventy-four to eighty nine, there has been no capacity increase. The same figures have increased from eleven crores, eleven lakhs to two fifty eight lakhs. There it is also mentioned that it could be through trading or other.

It could be so. I don't want him to be trading because that is defeating his major competence that is innovation and quality. If he gets into trading, he wont have any innovation, obviously.

Gentleman, the moot point here is, he is saying that how come he increased his sales turnover without increasing his capacity.
So what is the answer to that? So, let us see. His conclusion is that he is gone for trading. Do you agree with that conclusion?
Anyone chemical engineer here?
Sir, yes sir.
You are. As a chemical engineer, what is your reaction?

It need not necessarily be because what he is doing he is also making faster product lines. So earlier his capacity utilization is low. Now, because his number of lines are more so he making one product

I think that is a likely explanation. He has made a one-time investment. He has built in capacity. Now he is trying the fill the capacity slowly. He has a very dynamic product, product length. He is changing his product quite frequently but he is entering long-term contracts and making commitments for a particular raw material. What is the disadvantage? Because, why why? I think the answer lies why is he changing frequently.
Because the market is a part of the…
No. Be specific. Why?

Because the profits are coming down. However, he is a profit driven company. If he can get a client who is willing to sign a long term contract…

Long-term contract is a raw material side, sir.

Because again it is profit oriented in nature. With raw material he can tie them down to a fixed price over a five period. Then he is saving on cost and increasing profit. That is the reason.

Yes there is also…

If he purchases market products for long term then he makes long term plans for production in quantities. So, accordingly he signs with his supplier rent for long term. He is highly flexible as I see. He is highly flexible. His main aim is to make money essentially. I can't fault that but then may be he is missing out on continuing, succession, building an institution. He is making money and over fist. Whatever helps him to make money he is doing that. That is his motivation. Most of the teams they talked about this innovation. So what is the role of innovation? Because it is a chemical product, chemical solvent he has actually, you can see, he has identified some segment that require some specialized products and some specialized formula for making the product.

Over and above that, what is the role of innovation? You cannot say innovation has a very high role and it requires cost because he has gone into those products.

Innovation is doing this creatively. He is in a market, which is a very boring market. He deals in chemical solvents so on and so forth.

Though though he…

His innovation I think is recognizing that substitutes can be made very quickly from established solvents, which are of equal quality and where he can do it with his own knowledge. That is the innovation. No, does it happen because innovation is very fast rate say say compared to substitutes like software where the products change very fast. No it doesn't. Hence the innovation. If this happened in a software, we say it is not innovation because it is run-of-the-mill-everything is the same. But in this industry he is using his knowledge. He is really leveraging his knowledge in a innovative way to make money. He is not reinventing the wheel, mind you. Someone is using some solvent.

Yeah and anyone anyone who is making solvent, remember it says there in the case, he gets samples of that straightaway. He analyzes that sample and sees what is the cost, whether with the same quality, which this sample is giving a competitor, he can make a lower cost and then try it out on a client. So he does two things: one is his client relationship and also therefore his channel relationship is very good. He is very responsive to market changes and he's innovating in pursuing his line. Or all right, in my solvent line let us see if I can oust some competitor by making a substitute.

Who is the next group? Ronny, come. How did I know you are the next group?

Group three

Strategy sequence changes the game and we are discussing about the growth prospect. So once that grows, textile, will it still be possible for him to maintain his strategy techniques as soon as pricing changes?

No, answer is no. Right now I have feeling he just has one or two lab assistants, okay? Basically he does it himself, may be he has one one chemist, may be because he is traveling a lot. He is

doing the customer part of it so he is traveling a lot. So he can't be all the time there. But it is a very small show, very small show okay?
Now we have group three. All right group three, it is five fifteen. You have till five twenty five. All right. Start.
Please pay attention

Hi friends. Hi, this is group three. We have also actually analyzed based on the Porter's model but then since most of you have outlined all the important points, we are just, I'll just say some of the points which I feel the groups have not touched enough, okay. As, say, barriers to entry. That we can say that he he did a good brand building exercise. When he had gone down to the rubber board in Kottayam and he he he spent about three years in research there and later he kept on sending samples to the board members and as a result of this they found it really good and they recommended this sample this sample to other end users. So there he has built a good brand identity.

Now, on the expected retaliation front it said that he got a…
He made, he made profits by charging a high price because his quality was quite high.
But still, a case has, particular case has been mentioned when he actually went into a price war. He reduced the price by a small amount so that the competition was warded off.
So I feel that was, it must have been one single product on which he did this and he he he must have got a, he must have got enough and more profits on all other product lines so that he could go into a price war on on some product where the threat of substitutes or any other player is quite high.

Now on the, like competition within the industry, how we can survive? Here again he has managed to reduce the cost of inputs. Specific situation is given where he went for the reuse of oil barrels for for packaging. So this must also have been a cost cutting measure whereby which helps him to get good profit margins.

Now on the determinants of supplier and buyer parts, things, other things are mentioned that he entered into long term contracts at prefixed prices so it is a hedge against price fluctuations and all that. And I think he also had a location advantage because he was situated in a place where there were lots of petrochemical industries. So I don't think the threat of the bargaining power of suppliers was quite high. That is on the Porter's model. Now I would like to call this company as a strategically aligned one. Thus, it is strategically aligned. Excuse me.

You can put it in these words like it is strategy aligned with the end customers through dealers and also with the suppliers through long-term contracts. Now let us see how this strategy alignment he has tried to implement like wait and watch based on just a few moments ago we had seen.
He brought in coordination internally and internally and externally. The internal coordination among the employees it must have been through, it is its specifically mentioned that he had enforced discipline among the employees. So on the external side, he had good network of dealers and tied up suppliers. Now the, on the incentives part, internal to the organization he was very sensitive to the requirements of the employees. He used to give them good perks, provident funds and on the whole you can say the employer relations was maintained in a good manner.

Then on the external side he decided to sell only through dealers. He didn't undertake any direct selling. Now he is not undercutting on the margins of the dealers. So, this will help the help him have goodwill with the dealers. Now the decision time. It was the decentralized one at both the research and the operation level because in an R and D driven company you always see decentralization. They should be given freedom to come up with new innovative, excuse me, new innovative products.

Okay now, we have learnt in organization structure dynamics that this R and D organization which you are focused on R and D, they should have the learning and flexible organization. The learning culture should be a flexible one because see environment is highly complex and uncertain. They should be highly adaptable to the changes of the environment. Then okay, I would just like to summarize the strategic plans, which I feel they should still sustain. He has been conducting good lot of marketing research. He should go on with this to identify the, what the customer wants and new niche markets. Then he has said he will go in for high production, better or more production quantity in the long term and once he finds more and more new markets, I think he should go ahead with that.

He should also sustain the good labor relations because chemical industry is one where the, I think the union problems can be quite high if you don't have good employ relations. Then this low credit policy, I think, he can go ahead with it. Then dealership network is good, as some of the groups had already pointed out. There won't be any hidden cost if he, in case he deals with the customers directly. Then I think he should develop long term plans for for in the direction that he will be able to sustain lower prices because I think there is a threat of big players coming into the industry.

For example here you have a single buyer playing a big chunk of their one single product that is procured by Reliance that is, said that they are taking seventy thousand tons per month. So there is a threat of backward integration. He has to be on a watch for that and also he should be aware of any possible chances of opening up of markets in the international front. And another thing is, on his supplier side he is depending sorely on the oil sector. Now, if the oil sector industry faces any downturn, he should take care, he should foresee some measures so so that he is not affected because ah because of his dependence on a single supply side.

Then okay he must go for patents, somebody has already put that and I think in the long term he should also be conscious of the environment pollution concerns since it is a chemical industry.
So this is basically…
Okay you have two question here. Two questions.
What comparitive advantage did Dr. Baddi receive? Did he seek any competitive advantage?
Yes he did
What?

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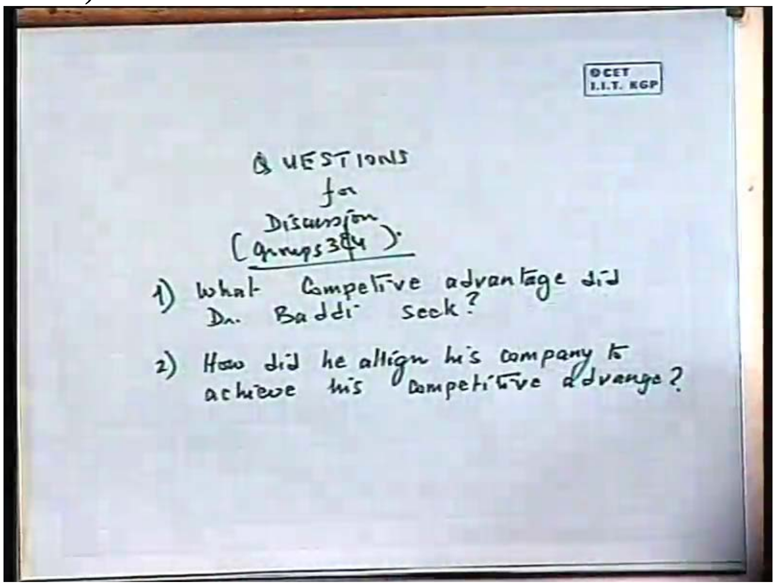

He started with niche markets.
Is that a competitive advantage?
Okay assuming it is competitive advantage, what is that advantage in a niche market?
He can make high profits.
You can make high profits.
The competition will be less.
Competition is less. Okay. Any other competitive advantages?
He has a good product portfolio mix.
Yes.
Sir, the prime competitive advantage that Dr. Baddi's company had was in terms of product that he made. He had a flexible product mix, which could be suited to the customers' requirements. Apart from that he had a very good relation with the customer and he kept tabs with the customer both directly and through the dealer network. So that was what which identified his product as something unique and which had a technical expertise backup. So it had, it could reach…

Okay okay. So basically what he is saying is his main competitive advantage was customer friendliness, which embodies a lot of things. Customer friendliness means, what does customer want, you are friendly with him, he wants low price, all right. So you will give what customer perceives as a low price, also his profit in it may be high.

Customer wants good deliveries, fast, he gives you. Customer wants some change in the product, he says yes sir I will give you the change, okay? Customer wants, whatever customer wants he gives, that is his main competitive advantage, which his competitors can't do. Is that is that acceptable?
Yes, sir.
He has flexible pricing but he has a price, which he charges all the customers. In the case of IOC he is reducing the price.
I, that is a very important point. You know that is a policy point-all customers same price. It is a matter of opinion. I think it is a terrific advantage. My working capital is very very low. I have

no problem of outstanding or accounts receivable. But he is a rather small player in the market any player even media.

That is the reason because you are a small player your capacity is low. You don't have hungry factory which you have to fill you know every week you have to give huge orders otherwise the capacity in his case it is a small capacity. He can pick and choose. Yes?

Yes, I don't think the credit policy depends on size because there are companies Heinz India Limited. They don't have a credit policy in India. They have cash and carry only so it doesn't matter what size. Such a big company also has a cash only policy. So I don't think he is saying that cash is because he is small. I don't think it depends on size.

Anyone wants to react to that? He is saying a good point. He says Heinz, which is five hundred crore six hundred crores

Heinz has got a very good financial backing. So they can sustain the operation. If I don't have a financial background I require the money. They are also…

Sir, its, it depends on the reputation of the factory as well see.

It depends on brand equities.

Yes, sir.

That means people are willing to come the way you cash and take your product and your sales keep rising.

But he might be losing some customers also because of this.

Why?

That is not mentioned.

You have to see his growth way. After all loss of customer has to be in practical terms, say you have a capacity where you can sell up to five hundred crore with your product portfolio. The fact that you cannot sell to thousand or fifteen hundred is a notional thing. I can argue that way isn't it? Because if you want that thousand you have to increase your capacity. You want to increase your capacity you have to make the investment. Moment you make investment you will have cost. Interest depreciation burden will come. You may have to, you may have to take loans. Interest is there, so it is its combined.

Sir if he is selling it on cash he has to cut his price because…

What if it is a product, which is so desirable that people are lining up to get your product?

In the case as mentioned it is a commodity and different supplies are there. In that case sir the supplier has got the clout to ask for the interest of the, for the purchases. It will, it will always have to cut it is cost.

I am not so sure whether it is a commodity. Would you agree it is a commodity?

No sir

No they don't agree.

How do you define a commodity and a specialty chemical?

Is it a commodity?

No sir

What is a commodity? What is a commodity? Name one commodity.

Is Basmati rice a commodity?

You have not learnt about this in your marketing class.

Yes
What is a commodity and what is not? Tell me what defines the commodity?
You cannot differentiate between the sellers and the suppliers right? But can you make a commodity into a branded product?
Yes sir.
Soap, salt. So you can do it by marketing.
Now this is a specialty chemical. Would you agree that this is a commodity?
See, the point you are making, playing one against the other, can happen whether it is a commodity or whether it is a non-commodity.
Sir
That is skilful buying.
What I mean to say, he is a small player, he is producing in small volume. He is not fulfilling the capacity of the entire textile industry and now there are are thousand other players who are also producing the drying agent. Now they can…
I don't think they are thousand players anyway. How come he's making so much money then?
He is so small and there are thousands of players. He really makes money, how?
Let us have a little attention now.
I don't think that is a point. The point she made is he could cash in on an opportunity. We all we all go and visit so many people, you know casually someone mentioned that from the laboratory can you make a chemist?
He saw in the opportunity that many would have not seen. That is the meaning. And he has the persistence. I think that was a very very good thing that he did. He opened up the market. You know he made business where no business was there. That is called business development. I put down some here. There are often companies who hire you MBA'S to do business development. This is exactly a fine example. There isn't any business but you develop that business. You see an opportunity.
I think we stop here. We thank you very much.
Don't switch it off. Keep it on.
Next, next please. Who is next? Group four come. All right. You have till five forty.
Good evening all of you. Good evening. I will start with SWOT analysis for Baddi. The strengths were it is good R and D capacity as has been listed by all of us. it is employer relationship was very good. It had a very good distribution network among all the dealers. It has been mentioned in the case that it had distributors all over India. It has a monopoly of sorts in certain niche markets like the rubber boards, sprays. It enjoys very good profit margins in photographic solvent. That is an example so it must be having very good power in that. Good plant location is another. Flexible product: needs it is able to change it is product mix depending on the requirements of the customer. It has very low inventories, efficient logistics. It has been said in an example for the rubber spray case where it was his ingenuity, which led him to circumvent the distribution problem for the rubber spray. Very low inventories helps always. No credit policy. High switching costs. It has been mentioned in the case that customers were reluctant to change to new solvents just because probably the solvents will exactly match the requirements of the customer.

I'll go to the weakness. The main weakness is this company is an intermediate sort of company. It derives it is demand from the demand of the final problem. I think no one has illustrated this point. The main weakness comes from this point that even if even if you have very good capacity, the final product if it is not doing well it is very difficult for you to expand. It cannot move up or down the value chain. It is very difficult up the value chain, horizontal; I mean vertical integration, upwards, forwards. It is very difficult very huge players, similar with backward integration.

The biggest disadvantage I will say is the new products can easily come and replicate replicate this initial first one advantage. That is first one advantage, it is not very sustainable. Opportunities, he can leverage his R and D capacity to enter any related markets. Threats: there is always a threat of replication as has been mentioned in the case. Small players come in always. There is a chance of backward integration by big buyers. I will illustrate it like this. He might be operating in a very small market but the player might be looking for a complete product one shop stop for all it is solvent requirements and he might also produce that, this solvent as a part of the all the solution range. There is always a threat of forward integration by big market players as was illustrated in IOC case.

The Porter's five forces model for this industry will be such, something like this. There is the industry background stems mainly from very numerous number of small small players, which grow out there. This might not directly implicate today but tomorrow they can grow and come into you niche market. But a good point for this is the high switching cost that I mentioned earlier. People are reluctant to switch from one solvent to another.

The entry barriers are you have a goodwill of the customers. it is very difficult, I mean it is a sustainable advantage even if your innovation capacity, even if your product might be replicated. it is very difficult to it replicate your customer advantage that really, a repeat by it is very easy if you, if you are able to, if you are able to satisfy the customer. It is ten times more difficult to keep, to make, to make a new customer than it is to sell to a new customer than it is to sell to an existing customer, sorry. There is the distribution networks, as has been illustrated. R and D capabilities are very good.

Threat of substitutes. I believe there is a risk perception on what a substitute is. Everyone says that another player can make substitutes. A solvent is not a substitute for a solvent. Another product might be a substitute for a solvent, the solvent will only be a rival for a solvent. So I would say that threat of substitutes, given in the case data, it is low. Bargaining power of suppliers: there is always, as I said, the threat of forward integration. But he has locked them into forward, I mean future contracts-long term contracts with the suppliers. So that might, that might, that might help in it is raw material credit to the dealer availability of raw materials. The bargaining power of customers, again definite of backward integration, but because of the high switching costs he has an advantage. He has a monopoly of sorts in the rubber solvent. So he can charge very high margin. So, in that way, he has a very good bargaining power with rubber customers. Similar is the case with photographic solvents.

I would like to end hence by saying that he should concentrate more on his advantage- strong points that he has over the other players-innovation, he should leverage on his R and D which has very good capacities. He should try to find new markets and most importantly he should find this new markets in a systematic way by conducting market research. Right now his business has been like through his gut feeling, that this there is a market for this product we'll go and enter

this market, it is like this. I think a better systematic way will not only reduce chances of failure but it will also reduce his efforts so that he can concentrate on more number of markets. I think I'll end my presentation like this. Thank you very much.
Okay good thank you.
I would like you to concentrate on answer to these two questions.
There are numerous competitive advantages. I would say distribution and goodwill of the customers would be our main highlight of this.

Distribution he may. For the second question, distribution he maintained by having dealer networks all over India. Customer goodwill he had by providing advice to customers even when his, when the product his harmful, I mean not exactly harmful when the product, overuse of the product might harm the might harm the customer, he gave advice which might seem contrary. So he put short-term gains in for future gains. Then with regard to customers, he used to call his customers almost everyday. He had a pulse of the market. In that way he could expand to new markets. In that way, I would say how he has competitive advantage alignment.

Okay, now any questions from the house?
One by one. Yes, start with someone new. You asked number of questions. Who hasn't asked the question?
We don't want it to be questioners and non-questioners.
You have not participated. You ask. You have not asked. Yes, tell me.
Interesting, it is a interesting point. He wants a clarification. Can you give an example of what could be a substitute?
A substitute might be another product, which might, a technology which might reduce the need for a drying agent.
You cannot have a substitute for the drying agent because the solvent has to be there.
Jaggery is used as a substitute for sugar.

You know substitutes are best illustrated in materials. We totally substitute. The biggest example is, you know polymer-substituting metals. That is the biggest example. In all products, all the plastic products you see today, not a single product was in plastic forty years ago. Not one. Paper is substituting, all right. There are lot of other materials like glass, you have to, you used to use for utensils cooking utensils, etcetera brass.

Now we discussed that enough. Any other question? One more minute. Anyone who hasn't participated gets the chance.
Sir?
You have not participated. Tell me.
What is the ideal number of competitive advantage? How many would you like five four? I think one should focus. All right.
I think what he means is you will have a lot of strengths which you will leverage into one competitive advantage.
Any other question?
Sir.
Don't get up.
A substitute for the solvent could be another process like infrared treatment for blind.

Absolutely correct.

That means, yes, you don’t require to dissolve anything in the solvent. We have a totally new way of doing it. That is that will be a real substitute and these are usually paradigm shifts which you to have know in business. Underpinnings of your business is like carpets you are standing on someone pulls the carpet. What happens? You just fall flat. Finish. You have to do environment scanning all the time so that doesn’t happen to you alright and on this somber quote shall I say we close today’s class, alright?
Thank you very much.