

The Fortune at the bottom of the Pyramid

Chapter: Bottom of the pyramid: A Global Opportunity

Amazon link:

<http://www.amazon.com/Fortune-Bottom-Pyramid-Eradicating-Poverty/dp/0131467506>

What I expect to learn:

- To learn the advantages and disadvantages of globalizing BOP strategy

Quote:

“The more interesting lesson for MNCs from operating in the BOP market is about costs-for innovation, distribution, manufacturing, and general ‘costs of organization’. Because the BOP forces an extraordinary emphasis on price performance, firms must focus on all elements of costs. Shortage and the cost of capital force firms in BOP markets to be very focused on the efficiency of capital use. MNCs tend to impose their management systems and practices on BOP markets and find that it is hard to make a profit. The choices are simple: Change the management systems to cut costs or lose significant amounts of money.”

Book Review:

This chapter gave several examples of BOP markets that are now globalized. An example is a salt that is sprayed with iodine coated with chemical that could prevent spoilage on transportation of the salt and distribution of them.

The reasons why there are global opportunity on the BOP? 1) BOP markets are large, no doubt about that; 2) innovations can be made on the BOP 3) BOP markets can change can influence how the MNCs think about doing business. This chapter already mentioned several MNCs doing innovations to help the BOP and still make money, hopefully in the next few years, more MNCs will follow the steps of the MNCs mentioned and improve their products and make it affordable to the BOP who is the largest number of consumers.

What I have learned:

- I learned that when BOP strategy is globalized will change the world radically

Integrative Question:

1. What are the two ways in attracting the BOP?
2. What are the local growth opportunities?
3. What does Capital Intensity means?
4. Could we apply BOP strategy in the global market?
5. What are the standards of innovation for BOP?