

[REDACTED]

Subject: Week 7 Learnings

Team

This one is a bit forward looking based on [REDACTED] the things we need to do next.

There are few elements we need to delve into as we develop the next plan. I am putting down the raw basics of what you should read up, think about structurally

- a. The Igor Ansoff two by two model on products and markets. This was a simple model built many years ago but is always a useful start point.
- b. The Bruce Henderson BCG matrix. This adds an element of use of cash into the Igor Ansoff construct
- c. The Shell McKinsey 3x3 matrix. This adds a lot of metrics in looking at industry attractiveness and also the company's position in terms of capabilities, strengths etc. Another useful tool to read about.
- d. Think about three questions : a. How will this business look three to five years out. B. How will money be made in this business three to five years out and c. what capabilities are needed for a and b?

Let me explain this with an example you can relate to – The Indian movie business.

Ten to fifteen years ago, the Indian movie business depended on the no of theatres that showed your movie. Producers and distributors waited for a silver jubilee movie. Distribution of prints was the key capability needed. Then a few things happened: Ticket prices were liberalized, multiplexes came into vogue, TV serials became big and TV channels started running old movies.

With the liberalization of ticket prices, you now need to get the audience into the hall for the first two weeks, and then you cover your costs. So, marketing is the new capability now, not distribution. Indian movies are making money overseas and not in India as things like music rights etc. are sold and the business model outside India realizes more monies. In many cases, the money in India is nothing. This has led to a whole new set of activities. Since marketing is key, the actors take aggressively to social media. There is a flurry before the movie is released. The measures are also different – 100 crore week, 200 crore week, 300 crore week, no longer 25 weeks and 50 weeks.

Now with Netflix etc the game is different and with smart phones, people have a theatre in their palms, this will evolve again.

All the best, feedback welcome

shiv