

# The Underdog vs the Leader



Weekly Learnings 1 / 2023

The world loves an underdog while respecting the leader as we relate with the underdog's emotions. The Underdog folklore is magical and gives us hope. Two underdogs in the last few months stand out – Ukraine vs Russia and DuckDuckGo vs Google. Here are my leanings:

1. In every industry there are three leaders – the revenue leader, the profit leader, and the thought leader. Most underdogs tend to be thought leaders. India is the revenue and profit leader in cricket, but English cricket is the thought leader. Apple is the profit leader and thought leader in mobile phones while Samsung is the revenue leader. In commercial aircraft, Airbus holds all three titles. Market leaders are feared and rarely loved by the eco system but should not be hated.
2. Underdogs tend to focus on a space or niche the leader cannot do and are merciless on the leader. The Vietnam war, Nirma vs Surf, Avis vs Hertz are good examples.
3. Every big company was once a small company, every small company wants to be big, and every big company seeks to behave like a small company ('we have intrapreneurship', 'we are agile'). The struggle to think big and work small at the same time is eternal.
4. The underdog phenomenon occurs most in individual sport. Every individual champion was once an underdog, and this will be the case as age catches up in individual sport. Federer took down Sampras, Ali took down Sonny Liston, Hurkacz took down Federer in Wimbledon 2021. Sports teams mold complementary skills and players to stay at the top. The recent IPL auction is an indicator.
5. In some cases, underdogs go on to be the leader – Airbus has overtaken Boeing, Jio overtook all telecom players, Apple is bigger than IBM. Can these companies stay nimble? The curse of all large companies is they tend to take the eye of the ball, they get complacent, protect margin and sacrifice growth, they lose hunger and protect the status quo. All large companies assume that the past will repeat in the future. The underdog sees a different future and has no allegiance to the past.
6. ISB (Indian School of Business) was the underdog and they have comfortably surpassed all the established IIMs with thought leadership. ISB always compared

itself with the global MBA School list while the IIMs were happy to compare themselves with each other. ISB is priced at 100% premium to all older IIMs. ISB started in 2001 while the older IIMs started in 1961. So, ISB overcame a 40-year lead. The younger IIMs however are nimble and smart. The older IIMs need to reinvent themselves. How will ISB stay ahead?

7. Money is not the answer for an underdog, if you throw money, the leader will outsmart you. I worry that several start-ups are doing this. The underdog mindset is about ideas, the underdog mindset is about being a guerrilla. It's about turning disadvantages into advantages. DuckDuckGo focuses on 'privacy issues' as a search engine, which is relevant today and Google cannot respond forcefully.
8. Underdogs have grit, passion, and courage, they work well in teams. Underdogs don't worry about credit since they shoot for collective credit. Underdogs have great goal clarity. Underdogs play football while market leaders play cricket, a game where individual contribution on a day can get a win. Underdogs build and keep relationships.
9. When resources are short, then smartness overflows. Every underdog is resource poor but idea rich. The market leader has committees while the underdog teams have commitment.
10. The market share of the No.3 player in any industry is not more than 10%. The underdog starts by wanting to be in the top 3 and then aim for leadership. It's not easy being an underdog but it's fun!

What are the lessons you can apply to yourselves as individuals and your teams?

- Do not underestimate motivation as a driver vs money, pedigree, and skills.
- Have tenacity as an individual, have a will to win, and do not play politics.
- Say no to FEAR, respond well to adversity
- Have a Drive to prove others wrong
- Never work with an entitlement mindset.

The US lost the Vietnam war because they were ignorant, they were arrogant, and they didn't have allies on the ground. The same is true for most individuals and companies. Today is a battle of eco systems and business models and not brand vs brand. Build your support system.

Enjoy

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