

Changing the conventional wisdom about capitalism as a source of problem to a source of solution is today's necessity. Business and social development are not mutually exclusive. They should go hand in hand, like bullocks pulling a cart. Here, the cart is the society. Business is not a zero sum competition. According to Porter, businesses should become social enterprises working towards shared value to enhance competitiveness of company along with improving economic and social conditions. This needs a change in mindset of companies. Companies should broaden their vision and strategies, collaborate with competitors, create social benefits rather than profits and involve in economic value creation rather than mere charity. Danone challenged the tradition and successfully empowered people at the bottom of pyramid (BOP). This not only created social benefits and entrepreneurs but also improved brand visibility and created future customers for Danone at minimal marketing cost.

With 4 billion people waiting to be served at the BOP, opportunities are humongous for companies. Companies cannot remain competitive without the majority at the BOP. Strategically, this is huge market and companies need to innovate and achieve economies of scale and scope to reap benefits. Companies should focus on aggregate of under-served economies and overcome the myths about them. Cheap and outdated products may fail in emerging markets. Companies should bundle their offerings like MightyLights' solution, sell enabling services like CEMEX and sell to communities rather than individuals. Creating a sense of ownership among communities and treating communities as agents to expand consumer base increases contribution/transaction. To reap the advantages, companies should develop sustainable business models not just products. Biggest challenge is to nurture the soft skills of sales team and standardize recruiting and training. Danone SA was able to achieve this and create a huge distribution force of "Danimamas" and "Daniladies". BOP people always face the problem of asymmetric information and fear hidden action. Danone broke this barrier using direct marketing strategy in the form of road shows, product tasting etc.,

BOP markets have many obstacles and are risky. Cash flow is a concern unless the system is tight and protected from corruption. IT infrastructure can solve such problems, but requires huge investment. Also, incremental sales cannot always justify pushed costs and Scalability becomes a challenge. However, Aravind eye care has not only achieved success using efficient methods and technology (mobile eye care centers) but also helping other hospitals emulate the model. BOP markets are susceptible to changes, 30% increase in price of Danimal resulted in complex transaction and sales dropped 30% in a month. Danone took a bold step to serve the BOP market. Maris's unconventional strategies and passion were instrumental. Maria faced challenges because of tough market research, constraints in the market, costly distribution, shelf life, pack size and price and unknown consumer tastes. Challenges led to innovation in distribution, transaction and marketing. A strong business model with valuable resources (Damimamas and Daniladies) that was difficult to imitate was created. Though difficult to measure the success of Danimal project, it impacted the triple bottom-line and Danone worldwide was able to leverage the learning. However, the real test is Danimal's sustainability given the changes in leadership and employees' misbelief. Making Danimal a core offering is a

mammoth task. Nonetheless, Danone's achievement is substantial, however not sufficient. Offering Danimal as a breakfast item or some innovation in manufacturing to reduce costs may ensure Danimal's upward growth.

Competing in BOP markets with low price, low margin and high volume strategy may not be sustainable. A robust business model developed around a shared value with multi-functional offering that increases the willingness-to-pay of consumers is indispensable.