

Contents

1	Introduction	1
1.1	Research Problem and Relevance	1
1.2	Research Objectives and Scope	2
1.3	Structure of the Book	3
	References	4
2	Bottom of the Pyramid Concept: Taking Stock	7
2.1	Background	7
2.2	Characteristics of the BOP Market	8
2.3	Business Strategies at the BOP	11
2.3.1	Challenges in Doing Business at the BOP	11
2.3.2	4As Framework	13
2.3.3	Implications for the Firm	16
2.4	Criticism of the BOP Approach	17
2.4.1	Overestimation of Market Size	18
2.4.2	Harming the Poor	18
2.4.3	Undermining the State's Role in Development and Other Alternatives to Capitalism	19
2.4.4	Inability of MNCs to Address the BOP	20
2.5	Current State of BOP Scholarship	20
2.5.1	Evolution of the BOP Approach	20
2.5.2	BOP Approach and Other Tangential Areas	21
2.6	Why It Is Interesting and Imperative to Conduct BOP Research	21
	References	22
3	Disruptive Innovations Theory	27
3.1	Introduction	27
3.2	Disruptive Innovation Theory	27
3.2.1	Definition	27
3.2.2	Extensions of the Disruptive Innovation Theory	29

3.2.3	Disruptive Innovation in the Context of Technological Discontinuities	32
3.2.4	Critique of Disruptive Innovation Theory	33
3.3	Challenges in Commercializing Disruptive Innovations	33
3.3.1	Resource Allocation Processes	35
3.3.2	Inadequate Market-Facing Organizational Competency	35
3.4	Recommendation to Established Firms Seeking to Commercialize Disruptive Innovations	35
3.5	Summary	36
	References	36
4	Methodology and Research Process	39
4.1	Introduction	39
4.2	Methodology	39
4.2.1	Context	39
4.2.2	Rationale for Case Study Research	40
4.3	Research Process	41
4.3.1	Case Study Selection	42
4.3.2	Data Collection	43
4.3.3	Data Analysis	43
4.4	Quality and Reliability	44
	References	45
5	Study 1: The Bottom of the Pyramid Market as a Source for Disruptive Innovations	47
5.1	Introduction and Research Question	47
5.1.1	Introduction	47
5.1.2	Research Question and Methodology	48
5.2	Embedding the BOP Phenomenon in Theory	49
5.2.1	Linking Disruptive Innovation Theory and BOP Markets	49
5.2.2	How Frugal Innovations, Inclusive Innovations, Reverse Innovations, Gandhian Innovations and Disruptive Innovations are Interrelated	50
5.3	Empirical Context	53
5.3.1	Healthcare Challenges in India	53
5.3.2	Case Studies: Aravind Eye Care System and Narayana Hrudayalaya Hospitals	54
5.4	Analysis	60
5.4.1	How Are Low-cost Specialty Hospital Chains Potentially Disruptive?	60
5.4.2	What are the Drivers of Their Innovations?	63
5.4.3	Short Excursus: Reflections on the Lead User Characteristics of AECS and NH	66
5.4.4	Why is BOP an Appropriate Context for Disruptive Innovations?	68
5.5	Managerial Implications and Discussion	70
	References	71

6 Study 2: Lessons from GE Healthcare: How Incumbents Can Systematically Create Disruptive Innovations	75
6.1 Introduction	75
6.2 Theoretical Context	76
6.3 Research Question and Methodology	78
6.3.1 Research Question	78
6.3.2 Methodology	79
6.4 Empirical Context	80
6.4.1 GE Healthcare Case Study	80
6.4.2 Characteristics of the Value Segment Products	85
6.5 Analysis	88
6.5.1 Disruptive Potential of GE Healthcare's Value Segment Products	88
6.5.2 Overcoming the Innovator's Dilemma	90
6.5.3 Ambidexterity in Action at GE Healthcare	95
6.5.4 Other Measures in Combating the Unfavorable Characteristics of Disruptive Innovations	98
6.6 Discussion	100
References	101
7 Study 3: Lessons from Tata: How Leadership Can Drive Disruptive Innovations	105
7.1 Introduction	105
7.2 Theoretical Foundations	107
7.2.1 Leadership and Innovation	107
7.2.2 Leadership and Ambidexterity	109
7.3 Research Question and Methodology	109
7.3.1 Research Question	109
7.3.2 Methodology	110
7.4 Empirical Context	111
7.4.1 About Tata Group and Tata Chemicals	111
7.4.2 Tata Swach Project	112
7.5 Analysis	118
7.5.1 Disruptive Potential of Tata Swach	118
7.5.2 Role of Senior Leadership	120
7.5.3 Differentiating and Integrating: A Process View of Ambidexterity at Tata	123
7.6 Discussion	127
References	127
8 Addendum: Linking Paradox Resolution and Disruptive Innovations for the Bottom of the Pyramid markets	131
8.1 Introduction	131
8.2 Theoretical Foundations: Theory of Paradox	132
8.2.1 What is a Paradox?	132
8.2.2 Pursuing Social and Financial Goals: A Performance Paradox	133

8.3 Empirical Context	134
8.4 Analysis	136
8.5 Discussion	137
References	138
9 Discussion of Findings and Conclusion	141
9.1 Integration of Findings	141
9.1.1 Overview	141
9.1.2 Organizational Conditions at Established Firms for Pursuing Disruptive Innovations	142
9.2 Theoretical Contributions	146
9.2.1 BOP as a Context for Disruptive Innovations	146
9.2.2 Organizational Ambidexterity and Disruptive Innovation Theory	146
9.2.3 Leadership and Disruptive Innovation Theory	148
9.2.4 Paradox Theory	149
9.3 Implications	149
9.3.1 Managing Disruptive Innovations Within Established Firms	150
9.3.2 Policy Implications for Healthcare Sector	151
9.4 Limitations of the Research	152
9.5 Future Research Agenda	153
9.6 Conclusion	153
References	154
Appendix A. Bottom of the Pyramid Innovations from India Mentioned in Studies by C.K. Prahalad	157
Appendix B. Interview List Study I	159
Appendix C. Interview List Study II	161
Appendix D. Interview List Study III and Addendum	163
Appendix E. Interview Guidelines	165