

## Book Review

# Monopoly Rules

Author : **Milind M. Lele**

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Einstein unified space and time and showed their identity in the classic theory of relativity whereas Rabindranath Tagore delved beyond the borders of space and time. The philosophy of time and space, from time immemorial, has been a central theme for philosophers, physicists, mathematicians and astronomers.

Think of applying this philosophy in the present competing business world! Milind M. Lele, a business strategist has attempted tying the business in terms of time and space. Contradicting the historical phenomenon of monopoly, Lele presents a radically different concept of Monopoly as "an ownable space for a useful period of time". Portraying the success stories of Starbucks, right from the history of coffee bean and the cheap seat monopoly of Southwest airlines, there is a defense for Monopoly as against the commonly known Sustainable Competitive Advantage (SCA) of the strategy guru Michael Porter.

### Think of these spaces!

What is this time and space to do with Business? 'Monopoly Rules' gives the answers. Space could be tangible or intangible. Tangible spaces are shelf space, product and service uniqueness, price differences. Intangible spaces are not in a physical location but in the minds and hearts of customers. This space is either because of a long history of dominance like the S&P ratings or the intense emotional involvement of the owners of Harley Davidson.

Time period is the other dimension which stops competitors from competing in that space. Time is tricky! Monopoly time can vary

enormously, with as short as few days (like the Indian Cricketers when they win the world cup), few weeks or months (like the movies), or may last for years or even decades (like Coca Cola or Walt Disney's Mickey Mouse monopoly).

### Multi-colored

Now, understand the hues of Monopoly! The flavors, colors, causes and sizes! At one extreme the space may be small with limited customers and last for just a few days and another extreme, a huge ownable space, spanning continents, millions of customers and lasting for decades. Monopoly spaces and time periods are well defined like the Bell telephone or the Campbell soup. Some of which are blurry and fuzzy as the Starbucks space, which includes all those coffee drinkers who are willing to pay more for a good-tasting cup of coffee. Monopolies could be asset based with natural resources, unique products (the author's favorite Honda's Odyssey minivan with the fold flat third seat), breakthrough technologies, patents, trademarks, brands etc. There could also be situational monopolies- customers can be captured in a particular combination of markets, needs, times and positions, least recognized monopolies- just think of a popcorn and coke seller at a movie theatre or a Citi taxi service in the remote corner of the city.

### Fencing the space

Have the Star Wars weapons! Patents, copyrights, exclusive licenses provide a protective shield and keep away competition.

Technology can also be a weapon as it may be too difficult to copy or reverse engineer. Another powerful barricade would be customer islands- a group of highly loyal customers. In some cases of interaction among sellers and buyers, customer islands lead to network effect and can create virtually insurmountable barriers surrounding an ownable space.

### **The Future: Situational Monopoly**

Capitalize the situation; conquer that moment of space and time. Milind Lele posits his confidence that situational monopoly will displace the classic asset monopolies in the years to come (also proved by many companies so far). As competition intensifies monopoly assets lose their effectiveness in generating high profits. Postmortem of successful companies reflects, according to the author, the only reason-situational monopoly, be it Jet Blue, Starbucks, Dell and so on.

### **End benefit: The Market Value**

Risk free high returns! The monopolies end benefit of enhancing the market value has been illustrated with the help of the P/S (price to sales revenue) ratio. A new measure called the Monopoly Quotient is developed which enables measurement of market value.

There is a warning for understanding monopolies because monopoly is compared to a kaleidoscope. At a point of time, it seems as if it has a pattern, but if it is turned the pattern vanishes and everything seems chaotic. It is again a time and space game! The dynamism of monopoly is due to industry shifts, competitor shifts and customer shifts.

### **Monopoly Game**

Help tips for building the monopoly game! Do you really see a monopoly for your business, if so where, why and how? It is not as simple as it appears. Walk through the process and you

will realize! Pass the five tests: Do your customers see you? Are you invisible to your competitors? Are your competitors outside the dotted line? Do you price like a monopolist and earn unusually high profits? A major tip-do not surrender your monopoly! Milind Lele also identifies monopoly as a continuous process. One should not be complacent but push further to retain and stretch the monopoly and keep a watch on the emerging monopolies. As in the musical chairs game, one needs speed to the space, otherwise competitors will occupy them.

How do you think one really plays it? Lot of caution, care, precision and expertise and many more skills! Then you are a monopolist!

### **Success!!!**

The author Milind M. Lele, has succeeded in his attempts to elaborate the concept of monopoly beginning with a mere concept or a great philosophy of Time and Space. Well knitted with illustrations, conversations, experiences and help topics the book tries to keep the reader intact. How business strategists can use these helpful tips to capture, conquer, control and cultivate markets is the million dollar question? It depends on how one can move away from the conventional thoughts of monopoly. Till then it may be viewed as mere rhetoric expressions. Practical usage, further research and the step-by-step tips will ensure success in a mass market, where in real terms one can't figure out the destiny of a business.

Understand the rules of monopoly for monopoly to rule!

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