

TC EP.2 - Shiv - MWV

Vani 01:11

So Shiv, I wanna ask you since you've talked about digital a lot. In the B2B world, what is digital in the context of the B2B world?

Shiv Shivakumar 01:20

Absolutely. Great question Vani. I think COVID has been an absolute defining moment for B2B because thanks to COVID, every B2B business had to go digital because they did not have face to face contact. If you actually look at the data, 70% of B2B companies are saying we have changed, we have got digital and we are getting growth as a result of this. And to me, if you look at the top industries in the world, let's take the top 10 industries, but I'll name five. Financial services is the number one industry in the world, \$23 trillion. Construction is number two at 12 and a half trillion dollars. Commercial real estate is \$9.6 trillion, eCommerce is 9.1, life and health insurance is 8.5. If you look at financial services in the past, it was completely controlled by central banks and the mode which everybody had was because of central bank policies. Today, that's completely gone. So today, why do you see so much activity and digitization in financial services because it's getting deregulated. So what was once a B2B2C business is now straight a B2C business. There are people who are willing to give loans, reaching out to you directly. You are not going to a bank anymore to apply for a loan, Vani. It's over. Those days are over. Okay. There's no guarantee or nothing, you and your record is the guarantee in itself. Let me give you a simple example of a B2B2C. I stayed at Crown Plaza on 19, February, 2021. Okay, look at what the Crowne Plaza laundry form says. Look as good as you do on social media. Can you believe this?

Vani 03:00

Oh wow. How cool. Very, very nice.

Shiv Shivakumar 03:04

I thought I'll bring this and show it to you and your viewers. This is what Crown Plaza is doing, saying, look, we recognize that you're on social media. You need to turn out well, well laundered clothes will actually make you look good on social media. That's the B2B2C business, right?

Vani 03:18

Absolutely, a very smart kid is written

Shiv Shivakumar 03:20

Obviously whoever it is, now you look at some of the digital businesses, a business called Aviata, which is a digital ecosystem of platforms for all aviation products and devices. Okay. Telenor in Germany integrates 1,600 bookstores and Kindle doesn't sell in Germany. Okay. So everybody's thinking about digital very, very differently, but in a B2B environment, personal contact, what did personal contact do? It ensured that there was a degree of opaqueness. There was no transparency, but today, thanks to digital. There's complete transparency in the B2B market. You take chemicals, which is an 8 trillion industry, chemicals, 1.3 trillion dollars is traded on 65 platforms. Imagine selling chemicals, all the things on digital. So almost everything which goes digital is going digital. And the way I would think about it is B2B companies will actually become much more branded players in a future world.

Vani 04:20

Very well said, Shiv, which also means that in the B2B world now, like you said, with digital, there's complete data transparency, there's complete transparency on price points that in large way, one can access information like one could do before, which means, like you said, branding is very, very important and the brand will also mean that relationships because a brand is eventually a receptacle of trust. It's a calling card. Exactly. So if Vani and Shiv have to do business, Vani has to feel comfortable to pick up the phone on Shiv. It's not just about the pricing. And everything else, which is probably parody and brands help build trust. That's fantastic. It's a great point you've made. And Shiv told me, after listening to all of this for B2B founders, if there were a couple of things that they had to start doing differently, starting tomorrow.

Shiv Shivakumar 05:09

I would say, doing a website, doing a handle, all that is given. That's not even par for the course, let's say you need an FMCG brand with good packaging. Come on. That's a given, right? So I will not even discuss what I call the basics, but if I were to elevate beyond that, I would say, think about your consumer or customer needs and desires very carefully. Think about what the pain points are. In a B2B business, typically the pain points are to do with delivery. Okay. That's one. Typically the pain points are about opacity, I don't know where my

shipment is. You look at DHL, you look at FedEx, you look at Airlines. What have they done? Today, Vani, you don't go and sit in the airport one hour before your mother comes. You punch it and see what time the flight lands, you say 10 minutes after that, I'll be there. Why do airlines give you that comfort? Otherwise before there'd be 20,000 people hanging around for three, four hours not knowing what to do. So I think real time information on delivery, on products, on everything is absolutely crucial. The other thing about B2B is that you need an ecosystem because you sell to somebody, that person transforms whatever you are selling to him, product, that person sells it to somebody else, et cetera. There's a full chain. If somebody can connect that whole chain, I think that person will definitely win, or you need to be part of that chain in order to win. And I would also think that you need to think about as B2B players, what I call painless policies, how many of your policies can be made completely painless for your customer? If you can do that, I think you'll win a lot more.

Vani 06:47 Fabulous. Fabulous.