**Battilana Clip 2 Transcript**

JULIE BATTILANA: So the first thing I'd like us to do is spend some time doing something that we haven't really done so far, but that I hope is clear to everyone we really need to do if we want to understand change in society, which is try and understand the institutional environment.

And so my first question to you is going to be about the US transplant system. And I know it's a complex system. I know that some of you may be thinking, why did you thrust us into this deep dive? It's such a complex system, so foreign to a number of you. But I picked this system because, A, it's really important-- it's health care. And health care systems all over the world are quite deeply ingrained. We talked about that with the Francis Connolly case. And we should all care, obviously, about health care systems and how to improve them and what it takes to change them. And so that's why I picked this case to actually start our conversation.

So how effective would you say that the US transplant system was at the time Sridhar started thinking about OrganJet? So go back to 2010. How effective would you say it was? Erica, what's your take on it? How effective would you say it was? Please tell us about the criteria you're using, and then walk us through your analysis.

ERICA: Of course. So I would say that our first point is around accessibility. And I would say I would not give a great grade along the accessibility dimension in the sense that a private insurance coverage is needed in order to even access the list, the waiting list for a transplant. So this means that since you need to take some drugs forever after the transplant, if you cannot-- and then basically the Medicare insurance doesn't cover those medication after the first three years, you are actually cut out from this waiting list.

JULIE BATTILANA: So insurance is needed.

ERICA: Private insurance.

JULIE BATTILANA: And so not only the waiting list we see, but there are a bunch of people who cannot even make that waiting list.

ERICA: Exactly. An estimate of 50% of the people who actually need it are not even on the waiting list. And so this is an extreme problem of accessibility. And another drawback is actually how the list is managed. So we have seen throughout the years there has been an improvement from a super localized approach to a little bit of a more centralized database to manage this waiting list. But at the same time, organs cannot really travel. And so this creates very long waiting lists because in certain areas the waiting list is very high. In another--

JULIE BATTILANA: So what's the issue, then, that and you're touching on here? You're seeing organs cannot travel.

ERICA: Mm-hmm.

JULIE BATTILANA: And so then, what's the implication?

ERICA: An implication is that there are people who can register only in specific local waiting lists that will wait for a long time. On the other hand are some people who can-- because they have the means, personally, they can register in more than one list.

JULIE BATTILANA: Multiple listing.

ERICA: To game the system in a certain way in order to-- if the waiting list is going to be short in another place, if they have the resources privately, they can go in this other place and sort of cut the line in some way.

JULIE BATTILANA: And so what is the issue? Is it geographic inequality or is it socioeconomic inequality?

ERICA: It's socioeconomic inequality because if you have the means you can actually bridge the gap that the regulation institute from a geographical perspective.

JULIE BATTILANA: OK. Do you have anything positive at all to say about the system?

ERICA: I think there has been an improvement along the timeline. Like initially, everything was managed locally and so now that they have this-- there is much more visibility in a unique database over who is actually in need for this transplant. So I think this is an upside.

JULIE BATTILANA: OK. So at least there is a database. So if we use our usual scale from 1 to 10, think about the effectiveness. I just want to make sure we know where you are, so that then people can react and see whether or not they agree with you.

ERICA: So I come from a country where the health care system is deeply different from this one. And so I come with a little bit of a bias.

JULIE BATTILANA: Can you let everyone know what country is, that people can then--

ERICA: Sure. I come from Italy. And Italy and France have very good health care system because, again, there is great access for people.

JULIE BATTILANA: They have differences systems.

ERICA: Different systems.

JULIE BATTILANA: With stronger welfare states.

ERICA: Exactly.

JULIE BATTILANA: In which everyone has access to the universal coverage.

ERICA: And so I come in with a little bit of this welfare bias. And so I would say this is a 3.

JULIE BATTILANA: A 3. OK. So what do you think? So we have Erica's analysis with her criteria. And so she's thinking that overall this is a 3. Do you agree? You have a different perspective? What's your take on this? Bruno.