

Battilana Clip 4 Transcript

JULIE BATTILANA: But let's just say that they're all the same quality for the sake of argument. Then I want everyone to wait-- I don't know if it would be 30 months on average, but then I would like everyone to wait 30 months.

If to achieve that 30 months, maybe I can fly only the wealthiest people around and the people that can't pay for the flight, they stay in the local but they still have a lower wait time, that's a perfectly good outcome for me.

JULIE BATTILANA: OK. So you're saying that you're fine. I'm sort of back to Catherine, who I know is now sort of horrified by the conversation thinking, wait, where are we going? But you're saying, no, in fact, as I'm flying these patients, I'm addressing your issue about socioeconomic inequality because the ones who cannot fly still have their waiting time reduced.

JASMYN: So that's the preface of what I'm thinking. Now, why I would start with OrganJet first is, this is-- if we think in market terms, this is an arbitrage opportunity. This is a geographical arbitrage opportunity. And what OrganJet has to do is figure out what's the transaction costs to close the arbitrage gap.

So this is-- think about it as selling natural gas in Japan where the price is higher, but you don't do it because the costs of getting the natural gas there is too high. There's no arbitrage opportunity. Here we're trying to figure out, is there an arbitrage opportunity from Alabama to Mississippi?

JULIE BATTILANA: Yeah. Within the constraints you have.

JASMYN: Correct.

JULIE BATTILANA: Again, the kind of organ and how fast do you need to get a patient there.

JASMYN: Correct. So the first thing you need to assess is how much does it cost to close that arbitrage gap?

JULIE BATTILANA: Yeah.

JASMYN: And then you have to figure out a way to finance it, whether it's flying only the wealthy, which will make it also better for the less wealthy, or whether it's through getting some money from the payers that also benefit from this. This is like a separate thing, but you can't go asking for money if you don't know how much you need.

JULIE BATTILANA: OK. Do you agree with Jasmyn and Ann? Kate.

KATE: One thing that I don't like about only doing serving the high end customers is having-- I understand that 30 months is helpful for everyone with just a shorter wait time where you are. But doing both at the same time and having two different patient populations could highlight some of the incredible inefficiencies.