

mi m
^
-JL
T
1

STON CONSULTING P ON STRATEGY

EDITED BY
CARL W. STERN AND
MICHAEL S. DEIMLER

HOCHSCHULE
LIECHTENSTEIN
Bibliothek



WILEY

John Wiley & Sons, Inc.

Contents

Foreword	xiii
Preface	xv
Acknowledgments	xvii
PART ONE The Nature of Business Strategy	
<i>Strategic and Natural Competition</i> , Bruce D. Henderson, 1980	2
PART TWO The Development of Business Strategy	
<i>Foundations</i>	9
<i>The Experience Curve Reviewed: History</i> , Bruce D. Henderson, 1973	12
<i>The Experience Curve Reviewed: Why Does It Work?</i> Bruce D. Henderson, 1974	15
<i>The Experience Curve Reviewed: Price Stability</i> , Bruce D. Henderson, 1974	18
<i>The Pricing Paradox</i> , Bruce D. Henderson, 1970	24
<i>The Market-Share Paradox</i> , Bruce D. Henderson, 1970	27
<i>More Debt or None?</i> Bruce D. Henderson, 1972	29
<i>The Rule of Three and Four</i> , Bruce D. Henderson, 1976	31
<i>The Product Portfolio</i> , Bruce D. Henderson, 1970	35
<i>The Real Objectives</i> , Bruce D. Henderson, 1976	38
<i>Milestones</i>	40
<i>Life Cycle of the Industry Leader</i> , Bruce D. Henderson, 1972	43
<i>The Evils of Average Costing</i> , Richard K. Lochridge, 1975	46
<i>Specialization or the Full Product Line</i> , Michael C. Goold, 1979	48
<i>Stalemate: The Problem</i> , John S. Clarkeson, 1984.	51
<i>Business Environments</i> , Richard K. Lochridge, 1981	56

<i>Revolution on the Factory Floor</i> , Thomas M. Hout and George Stalk Jr., 1982	59
<i>Time—The Next Source of Competitive Advantage</i> , George Stalk Jr., 1988	63
<i>Competing on Capabilities: The New Rules of Corporate Strategy</i> , George Stalk Jr., Philip B. Evans, and Lawrence E. Shulman, 1992	82
<i>Strategy and the New Economics of Information</i> , Philip B. Evans and Thomas S. Wurster, 1997	99
<i>Collaboration Rules</i> , Philip Evans and Bob Wolf, 2005	12Q.
PART THREE The Practice of Business Strategy	
<i>The Customer; Segmentation and Value Creation</i>	137
<i>Segmentation and Strategy</i> , Seymour Tilles, 1974	139
<i>Strategic Sectors</i> , Bruce D. Henderson, 1975	141
<i>Specialization</i> , Richard K. Lochridge, 1981	143
<i>Specialization: Cost Reduction or Price Realization</i> , Anthony J. Habgood, 1981	145
<i>Segment-of-One® Marketing</i> , Richard Winger and David Edelman, 1989	147
<i>Discovering Your Customer</i> , Michael J. Silverstein and Philip Siegel, 1991	151
<i>Total Brand Management</i> , David C. Edelman and Michael J. Silverstein, 1993	154
<i>Pricing Myopia</i> , Philippe Morel, George Stalk Jr., Peter Stanger, and Peter Wetenhall, 2003	157
<i>Trading Up</i> , Michael J. Silverstein and Neil Fiske, 2003 and 2005	162
<i>Trading Down: Living Large on \$150 a Day</i> , Lucy Brady and Michael J. Silverstein, 2005	168
<i>Innovation and Growth</i>	173
<i>From the Insight Out</i> , Michael J. Silverstein, 1995	174
<i>Capitalizing on Anomalies</i> , Lawrence E. Shulman, 1997	176
<i>Breaking Compromises</i> , George Stalk Jr., David K. Pecaut, and Benjamin Burnett, 1997	179

<i>A New Product Every Week? Lessons from Magazine Publishing,</i> Gary Reiner and Shikhar Ghosh, 1988	183
<i>Innovating for Cash,</i> James P. Andrew and Harold L. Sirkin, 2003	186
<i>Acquiring Your Future,</i> Mark Blaxill and Kevin Rivette, 2004	189
<i>Deconstruction of Value Chains</i>	194
<i>The New Vertical Integration,</i> John R. Frantz and Thomas M. Hout, 1993	195
<i>The Deconstruction of Value Chains,</i> Carl W. Stern, 1998	198
<i>How Deconstruction Drives De-Averaging,</i> Philip B. Evans, 1998	201
<i>Thinking Strategically about E-Commerce,</i> Philip B. Evans and Thomas S. Wurster, 1999	205
<i>From "Clicks and Mortar" to "Clicks and Bricks,"</i> Philip B. Evans and Thomas S. Wurster, 2000	208
<i>Thermidor: The Internet Revolution and After,</i> Philip B. Evans, 2001	210
<i>The Online Employee,</i> Michael S. Deimler and Morten T. Hansen, 2001	214
<i>Richer Sourcing,</i> Philip B. Evans and Bob Wolf, 2004	218
• <i>The Real Contest between America and China,,</i> Thomas Hout and Jean Lebreton, 2003	223
<i>Performance Measurement</i>	227
<i>Profit Center Ethics,</i> Bruce D. Henderson, 1971	229
<i>The Story of Joe (A Fable),</i> Bruce D. Henderson, 1977	232
<i>Controlling for Growth in a Multidivision Business,</i> Patrick Conley, 1968	234
<i>Making Performance Measurements Perform,</i> Robert Malchione, 1991	237
<i>Economic Value Added,</i> Eric E. Olsen, 1996	240
<i>New Directions in Value Management,</i> Eric E. Olsen, 2002	244
<i>Workonomics,</i> Felix Barber, Jeff Kotzen, Eric Olsen, and Rainer Strack, 2002	248
<i>Resource Allocation</i>	254
<i>Cash Traps,</i> Bruce D. Henderson, 1972	255
<i>The Star of the Portfolio,</i> Bruce D. Henderson, 1976	258

<i>Anatomy of the Cash Cow</i> , Bruce D. Henderson, 1976	259
<i>The Corporate Portfolio</i> , Bruce D. Henderson, 1977	262
<i>Renaissance of the Portfolio</i> , Anthony W. Miles, 1986	265
<i>Premium Conglomerates</i> , Dieter Heuskel, 1996	268
<i>The End of the Public Company—As We Know It</i> , Larry Shulman, 2000	271
<i>Advantage, Returns, and, Growth—In That Order</i> , Gerry Hansell, 2005	275
Organizational Design	281
<i>Profit Centers and Decentralized Management</i> , Bruce D. Henderson, 1968	282
• <i>Unleash Intuition</i> , Richard K. Lochridge, 1984	285
<i>Network Organizations</i> , Todd L. Hixon, 1989	289
<i>The Myth of the Horizontal Organization</i> , Philippe J. Amouyal and Jill E. Black, 1994	292
<i>The Activist Center</i> , Dennis N. Rheault and Simon P. Trussler, 1995	295
<i>Shaping Up: The Delayed Look</i> , Ron Nicol, 2004	298
<i>A Survivor's Guide to Organization Redesign</i> , Felix Barber, D. Grant Freeland, and David Brownell, 2002	302
Leadership and Change	309
<i>Why Change Is So Difficult</i> , Bruce D. Henderson, 1967	310
<i>Leadership</i> , Bruce D. Henderson, 1966	312
• <i>How to Recognize the Need for Change</i> , Carl W. Stern, 1983	315
<i>Sustained Success</i> , Alan J. Zakon and Richard K. Lochridge, 1984	318
<i>Strategy and Learning</i> , Seymour Tilles, 1985	323
<i>Let Middle Managers Manage</i> , Jeanie Daniel Duck, 1991	327
<i>Jazz versus Symphony</i> , John S. Clarkeson, 1990	330
<i>The Change Curve</i> , Jeanie Daniel Duck, 2001	333
<i>Leadership in a Time of Uncertainty</i> , Bolko von Oetinger, 2002	342
<i>Leading in Emotional Times</i> , Jeanie Daniel Duck, 2002	345
<i>The Forgotten Half of Change</i> , Luc de Brabandere, 2005	347

PART FOUR Business Thinking

<i>Business Thinking</i> , Bruce D. Henderson, 1977	354
<i>Brinkmanship in Business</i> , Bruce D. Henderson, 1967	357
<i>Business Chess</i> , Rud'yard L. Istvan, 1984	361
<i>Probing</i> , Jonathan L. Isaacs, 1985	366
<i>Creative Analysis</i> , Anthony W. Miles, 1987	369
<i>Make Decisions Like a Fighter Pilot</i> , Mark F. Blaxill and Thomas M. Hout, 1987	370
<i>The Seduction of Reductionist Thinking</i> , Jeanie Daniel Duck, 1992	373
<i>Choices, Again</i> , Barry Jones and Larry Shulman, 2003	376
<i>The Hardball Manifesto</i> , George Stalk Jr. and Rob Lachenauer, 2004	377

PART FIVE Social Commentary

<i>Failure to Compete</i> , Bruce D. Henderson, 1973	383
<i>Inflation and Investment Return</i> , Bruce D. Henderson, 1974	• 384
<i>Conflicting Tax Objectives</i> , Bruce D. Henderson, 1975	385
<i>Dumping</i> , Bruce D. Henderson, 1978	387
<i>Adversaries or Partners?</i> Bruce D. Henderson, 1983	389
<i>The Promise of Disease Management</i> , Joshua Gray and Peter Lawyer, 1995	393
<i>Making Sure Independent Doesn't Mean Ignorant</i> , Colin Carter and Jay W. Lorsch, 2002	400
Index	405