



# Index

- ABB, conglomerates and, 270  
Acquisition, innovation-driven, 190–191  
Activist centers, 295–297  
Adaptation, managing, 322, 324  
Aisin Seiki, 123–124, 131  
Aldi, 169  
Amazon.com, 116, 206  
    warehouses and, 209  
American Airlines, 207  
    pricing and, 160  
America Online, stagnation and, 333  
Amouyal, Philippe J., and Jill E. Black,  
    on myth of the horizontal  
    organization, 292–294  
AMP, and China, 225  
Analysis, creative, 369–370  
Analysis paralysis, 369  
Andrew, James P. and Harold L. Sirkin,  
    on innovating for cash, 186–189  
Anomalies, capitalizing on, 176–179  
Apparel business, keys to, 197  
Armstrong, and China, 225  
Asea Brown Boveri, 296  
AT&T, 292  
    antitrust actions against, 377–378  
Automotive Network exchange (ANX), 119  
Average costing:  
    evils of, 46–48  
    and loss of market share, 46–48  
  
Banc One, 98–99  
Banking:  
    and the electronic revolution, 109–113,  
    111 (chart)  
    Segment-of-One marketing and, 148  
  
Banks, reconfiguration of financial  
    services, 116  
Barber, Felix:  
    and D. Grant Freeland and David  
    Brownell, on a survivor's guide to  
    organization redesign, 302–308  
    and Eric E. Olsen, Jeff Kotzen, and  
    Rainer Strack, on workonomics,  
    248–253  
Bargaining power, shift of, 117  
Barisani, Andrea, 122, 128, 130  
Barnes and Noble, 209  
Bath & Body Works, 163  
Berkshire Partners, 273  
Black, Jill E., and Philippe J. Amouyal, on  
    myth of the horizontal organization,  
    292–294  
Blaxill, Mark F.:  
    and Kevin Rivette, on acquiring your  
    future, 189–193  
    and Thomas M. Hout, on making  
    decisions like a fighter pilot,  
    370–372  
*Blown to Bits* (Evans and Wurster), 42, 194  
Bluegrass Automotive Manufacturers  
    Association, 127  
Board of directors, educating, 400–403  
Body Shop, The, 154–155  
Bookselling, and connectivity, 116  
Borders, 272  
Boston Beer Company, The, 167  
Brady, Lucy:  
    and Michael J. Silverstein, on trading  
    down living large on \$150 a day,  
    168–172

- Brand portfolio:
  - coherent, 155
  - strengthening, 156
- Brinkmanship, business, 357–361
- British petroleum, 271
- Brother, 123
- Brownell, David, and Felix Barber and D. Grand Freeland, on a survivor's guide to organization redesign, 302–308
- Burnett, Benjamin, and George Stalk, Jr., and David K. Pecaut, on breaking compromises, 179–183
- Business, Japanese gambit, 362–363
- Business chess, 361–366
- Business competition, theory of, 4–7
- Business economics, intuition and, 288
- Business performance, and portfolio position, 266 (chart)
- Business segments, defining, 137
- Business strategies:
  - foundations in development of, experience curve (reviewed), 12–24
  - market-share paradox, 27–29
  - more debt or none, 29–30
  - perspectives categorized around theme of, 9–11
  - pricing paradox, 24–27
  - product portfolio, 35–37
  - real objectives, 38–39
  - Rule of Three and Four, 31–34
  - milestones in development of, collaboration rules, 120–135
  - competing on capabilities—new rules of corporate strategy, 82–99
  - evils of average costing, 46–48
  - life cycle of industry leader, 43–46
  - perspectives categorized around theme of, 40–42
  - revolution on the factory floor, 59–62
  - specialization or full product line, 48–51
  - stalemate conditions, 51–56
  - strategy and new economics of information, 99–120
  - time as next source of competitive advantage, 63–82
  - nature of, relative to strategic and natural competition, 2–7
- Business thinking, 353–380
  - methodology of, 356
- Business valuation, 276 (chart)
- Business-to-employee systems, 214–217
- Butman, John, and Michael Silverstein and Neil Fiske, (*Trading Up*), 162
- Buyer-seller relationships, 102
- Buyouts, of public companies, 271–272
- Capabilities-based competition:
  - becoming capabilities-based competitor, 90–94
  - and capabilities predator, 94–96
  - example of Wal-Mart's success, 83–86
  - four principles of, 87–90
  - future of, 97–99
  - new rules of corporate strategy and, 82–99
- Carlile, Paul, 135
- CarMax, and Circuit City, 180–181
- CarPoint, 206
- Car retailing, and connectivity, 114–115
- Carter, Colin, and Jay W. Lorsch, on making sure independent doesn't mean ignorant, 400–403
- Cash cows:
  - anatomy of, 259–262
  - debt capacity of, 260
  - public companies as, 272–273
  - real value of, 261
  - value of, 261
- Cash, innovating for, 186–189
  - models for, 188 (chart)
  - risks, 188
- Cash-flow profile, ease of analyzing, 235–236
- Cash traps, 255–257
- Centralized systems, 295–297
- Change:
  - difficulty of, 310–312
  - forgotten half of, 347–351
  - rates of, 325–326
  - recognizing the need for, 315–318
- Change curve:
  - determination of, 339–340
  - fruition, 340–341
  - implementaion, 337–339
  - preparation, 335–337
  - retreat, 340
  - stagnation, 333–335
- Channels, for rich content, 106
- Charles Schwab, 181
  - and physical synergies, 209
  - reinvention and, 208
- Chess, parallels for business, 361–366
- China, and the United States, 223–226
- Cho, Fujio, 134
- Choices, making business, 376–377
- Circuit City, and used cars, 180–181
- Cisco Systems, 215

- Clarkeson, John S.:  
 on jazz versus symphony as metaphor of leadership styles, 330–332  
 on stalemate: the problem, 51–56
- Classified ads, electronic, 108
- Clayton, Dubilier & Rice, 273
- Clicks and Mortar, to Clicks and Bricks, 208–210
- Coase, Richard, 104, 131
- Collaboration, 210, 219–220
- Commercialization:  
 choosing the right approach, 186–187  
 risks involved with, 188
- Communication, use of personalized, 149–150
- Communications, standards, 105
- Competing, choices to be made, 376–377
- Competition:  
 cooperating with, 358–359  
 failure and, 383  
 fundamental purpose of business, 377–380  
 perfect, 5  
 predicting the effects of, 32  
 theories of, 2–7
- Competitive advantage, 9–11  
 achievement of, 58 (chart)  
 implication for, 114–117  
 time based, 70–71
- Competitive evolution, 363
- Compromises:  
 breaking, 179–183  
 definition of, 179–180  
 obtaining, 358
- Conceptual thinking, 355
- Conglomerates:  
 creating value, 270  
 discounting, 269–270  
 myths about, 268–269  
 premium, 268–271
- Conley, Patrick, on controlling for growth in a multidivision business, 234–236
- Connectivity, 99–120, 211–212
- Consumer, demographics, 165
- Continuous improvement, 125
- Cooperation, 358–360
- Copeland, in China, 225
- Corporate portfolio, 262–264, 265–268  
 high returns versus low returns, 279 (chart)  
 management of, 277–280
- Costs:  
 categories of, 143–144  
 decline of, 19  
 discretionary, 143–144  
 as a parallel of price, 19–21 (charts)
- Creative analysis, 369–370
- Creativity, 330–332, 347–351
- Credit file, 135
- Cringely, Robert, 130
- Customer relationships, value of, 102
- Customers, discovering, 151–153
- Customer values, intuition and, 287–288
- D’Agostino, 149
- Darwinian natural selection, 3
- Data analysis, probing and, 368
- de Brabandere, Luc:  
 on the forgotten half of change, 347–351  
*The Forgotten Half of Change: Achieving Greater Creativity Through Changes in Perception*, 347, 349
- Deadlines, meeting, 184
- Deals, making smart, 192
- De-averaging, 201–204  
 opportunity of, 203–204  
 strategic implications of, 202  
 threat of, 203
- Debt, use of, 29–30
- Debt capacity, of cash cow, 260
- Decentralization:  
 balance with centralization, 283  
 degrees of freedom and, 284  
 profit centers and, 282–285
- Decision making, analogy with piloting, 370–372
- Decision tree, 106–107
- Deconstruction, of public companies, 271–275
- Diemler, Michael S., and Morten T. Hansen, on online employee, 214–216
- Delayering, 298–302  
 guiding the process, 300–301  
 mapping the problem, 299–300 (charts)  
 success of, 301–302
- Delivery, next-day, 177
- Denso, 123
- Deogun, Nikhil, 272
- Destabilizing influences on business, 316–318
- Differentiation, 139–140
- Digital Equipment, 291
- Discounts, volume, 159 (chart)
- Discovery:  
 rules of, 153  
 techniques for, 151–153

- Disease management:  
 advantages of, 395–396  
 cost controls, 396 (chart)  
 elements of, 393  
 implementation, 399–400  
 redefining success, 398–399  
 roles for organizations in, 398, 399  
 (chart)  
 strategic roles, 397–398  
 traditional approach compared to,  
 394–395
- Diversification, 263–264
- Dollar stores, 169
- Donaldson, Lufkin & Jenrette, 273
- Dow Chemical, 291
- Duck, Jeanie Daniel:  
 on change curve, 333–341  
 on leading in emotional times,  
 345–347  
 on letting middle managers manage,  
 327–330  
 on seduction of reductionist thinking,  
 373–375
- Dumping, 387–388
- DuPont, 197
- Dyer, Jeffrey, 132, 220
- Dykstra, Dave, 122
- E-commerce:  
 affiliation, 206–207  
 reach, 205–206  
 richness of, 207–208
- Economic advantage, achieving, 140
- Economic value added (EVA),  
 240–243  
 alternatives to, 242–243  
 correlation to shareholder value, 242  
 (chart)  
 defined, 240  
 evaluating, 241–242
- Edelman, David C.:  
 and Michael J. Silverstein, on total  
 brand management, 154–157  
 and Richard Winger, on Segment-of-  
 One marketing, 147–150
- Electronic data interchange (EDI), 102
- Employee-oriented measures, 251 (chart)  
 evaluation, 251–253
- Employee productivity, 249–253
- Employees, online, 214–217
- Empowerment, and failure, 328
- Encarta, 100
- Encyclopædia Britannica*, 100–101, 119
- Ethics, profit center, 229–231
- Evans, Philip B.:  
 and Bob Wolf, on collaboration rules,  
 120–135  
 and Bob Wolf, on richer sourcing,  
 218–222  
 and George Stalk, Jr., and Lawrence E.  
 Shulman, on competing on  
 capabilities—new rules of  
 corporate strategy, 82–99  
 on how deconstruction drives  
 de-averaging, 201–204  
 on Therimdor: The Internet revolution  
 and after, 210–213  
 and Thomas S. Wurster, *Blown to Bits*, 42  
 and Thomas S. Wurster, on from  
 “Clicks and Mortar” to “Clicks and  
 Bricks,” 208–210  
 and Thomas S. Wurster, on strategy and  
 the new economics of information,  
 99–120  
 and Thomas S. Wurster, on thinking  
 strategically about e-commerce,  
 205–208
- Executive functions, 312–313
- Experience curve, 9  
 application of, to problem solving/  
 policy determination, 13–14  
 definition of, 12  
 history of, 12–14  
 investing and, 263–264  
 price stability of, 18–24  
 relation to price stability, 18–24  
 why it works, 15–18
- Extranet, 119
- Fiske, Neil:  
 and Michael J. Silverstein, on trading  
 up, 162–167  
 and Michael J. Silverstein with John  
 Butman, (*Trading Up*), 162
- Flexible manufacturing, 41
- Ford, Henry, 195
- Frantz, John R., and Thomas M. Hout, on  
 new vertical integration, 195–198
- Freeland, D. Grant, and Felix Barber  
 and David Brownell, on a survivor’s  
 guide to organization redesign,  
 302–308
- Friedman, Milton (*Capitalism and  
 Freedom*), 378
- Future, acquiring, 189–193
- Gates, Bill, 119
- GE Capital, 271, 293

- General Electric (GE), 291, 295, 297  
 and critical mass, 115  
 conglomerates and, 270  
 delayering and, 298  
 market change and, 325
- General Public License, 128
- Gentoo Linux server, 122–123
- Ghosh, Shikhar, and Gary Reiner, on  
 lessons from magazine publishing,  
 183–186
- Gillette, stagnation and, 333
- Giuliani, Rudolph, 346
- Goldman Sachs, 273
- Goods, New Luxury:  
 characteristics of, 162–163  
 forces behind, 164–165  
 practices of leaders, 166–167  
 supply side forces and, 165–166
- Goold, Michael C., on specialization or  
 full product line, 48–51
- Grainger, 210, 275
- Granularity, 125
- Gray, Joshua, and Peter Lawyer, on  
 promise of disease management,  
 393–400
- Growth, 173  
 through compromise, 179–183  
 controlling, 234–236  
 discovering, 267–268  
 rate and margin, 21
- Haggood, Anthony J., on specialization—  
 cost reduction or price realization,  
 145–146
- Hansell, Gerry, on advantage, returns,  
 and growth—in that order, 275–280
- Hansen, Morten T., and Michael S.  
 Diemler, on online employee,  
 214–217
- Hardball manifesto, 377–380
- Helene Curtis, 196
- Henderson, Bruce D., 378–377  
 on adversaries or partners, 389–392  
 on anatomy of cash cow, 259–261  
 on brinkmanship in business, 357–361  
 on business thinking, 354–357  
 on cash traps, 255–257  
 on conflicting tax objectives, 385–387  
 on corporate labor/management as  
 either adversaries or partners,  
 292–294  
 on corporate portfolio, 262–264  
 on dumping, 387–388  
 on experience curve (reviewed), 12–24  
 on failure to compete, 383  
 on inflation and investment return,  
 384–385  
 on leadership, 312–315  
 on life cycle of industry leader, 43–46  
 on market-share paradox, 27–29  
 on more debt or none, 29–30  
 on pricing paradox, 24–27  
 on product portfolio, 35–37  
 on profit center ethics, 229–231  
 on profit centers and decentralized  
 management, 282–285  
 on real objectives, 38–39  
 on Rule of Three and Four, 31–34  
 on star of portfolio, 258–259  
 on story of Joe (a fable), 232–234  
 on strategic and natural competition, 2–7  
 on strategic sectors, 141–142  
 on why change is so difficult, 310–312
- Heuskel, Dieter, on premium  
 conglomerates, 268–271
- Hewlett-Packard, 122, 295, 333
- Hitachi, 296
- Hixon, Todd L., on network  
 organizations, 289–291
- Homesteaders, 190
- Honda, 95–96, 185, 291
- Horizontal organization:  
 ground rules for, 294  
 infrastructure of, 293–294  
 myth of, 292–294  
 processes and disciplines, 292–293  
 and reengineering, 294
- Hout, Thomas M.:  
 and George Stalk, Jr., on revolution on  
 the factory floor, 59–62  
 and Jean Lebreton, on the real contest  
 between America and China,  
 223–226  
 and John R. Frantz, on new vertical  
 integration, 195–198  
 and Mark F. Blaxill, on making  
 decisions like a fighter pilot,  
 370–372
- Human capital, managing, 253
- Human networks, building, 127
- Hyperarchy, definition of, 106–107  
 (chart)
- IBM, 215, 291  
 adaptation and, 324  
 antitrust actions against, 378–379  
 stagnation and, 333
- Independent directors, 400–403

- Industry leader:  
 challenge facing, relative to change to  
   focused competition, 45–46  
 competitive pressures on, 43–44  
 factors contributing to loss of  
   leadership by, 44–45  
 industry supply curve, 52 (chart)  
 life cycle of, 43–46
- Industry structure, 187
- Inflation, investment return and, 384–385
- Information:  
 economics of: and business strategy,  
   99–120  
 reach, 103, 104 (chart), 106–107  
 rich, 103, 104 (chart), 106–107
- Innovation, 173  
 brands and, 156  
 characteristics of an, 187–188  
 time-based, 77–80
- Insight, 174–176, 179
- Integration, vertical, 195–198
- Integrating products, 186
- Intellectual property (IP), 190–193
- Internet revolution, 210–213
- Internet Security Systems, 122
- Intrinsic motivation, 130–131
- Intuition:  
 building blocks of, 287 (chart)  
 business economics and, 288  
 communication and, 286–287  
 creating, 286  
 creating value through, 288–289  
 customer values and, 287–288  
 market map and, 287  
 technology change and, 288  
 unleashing, 285–289
- Inventory management, 196
- Investment, profitable, and the  
 experience curve, 16
- Investment return, inflation and, 384–385
- Isaacs, Jonathan L., on probing, 366–368
- Istvan, Rudyard L., on business chess,  
 361–366
- Japan:  
 auto engineering and, 123–124  
 industry leadership and, 389–390
- Japanese gambit, 362–363
- Jazz versus symphony, as metaphor of  
 leadership styles, 330–332
- Joe's story, 232–234
- Jones, Barry, and Larry Shulman, on  
 choices again, 376–377
- Joy's Law, 189
- Kmart, 86
- Knowledge, semantic, 129
- Koch, Jim, 167
- Kodak, in China, 225
- Kotzen, Jeff, and Felix Barber, Eric E.  
 Olsen, and Rainer Strack, on  
 workonomies, 248–253
- Kyoritsu Sangyo, 123, 130
- Lachenauer, Rob:  
 and George Stalk, Jr., (*Hardball: Are you  
 Playing to Play or Playing to Win?*), 377  
 and George Stalk, Jr., on hardball  
 manifesto, 377–380
- Ladder of benefits, 163–164
- Lakhani, Karim, 130, 135
- Lawyer, Peter, and Joshua Gray, on promise  
 of disease management, 393–400
- Leadership and change, 309–351  
 creative, 330–332, 347–351  
 defining, 312–315  
 emotions and, 345–347  
 failure, 314  
 goals of, 313  
 and uncertainty, 342–345
- Learning:  
 effects of, on the experience curve, 15  
 strategy and, 323–327
- Lebreton, Jean, and Thomas Hout, on  
 the real contest between America  
 and China, 223–226
- Licensing, 186
- Linux, 120–135
- Lipin, Steven, 272
- Listservs, 125
- Lochridge, Richard K.:  
 on business environments, 56–59  
 on evils of average costing, 46–48  
 on specialization, 143–145  
 on sustained success (with Alan J.  
 Zakon), 318–322  
 on unleashing intuition, 285–289
- Logistics, customizing, 196–197
- L'Oreal, 153
- Lorsch, Jay W., and Colin Carter, on  
 making sure independent doesn't  
 mean ignorant, 400–403
- Malchione, Robert, on making  
 performance measurements  
 perform, 237–240
- Management:  
 reactivating, 329–330  
 total brand, 154–157

- Manufacture-to-order, 203
- Manufacturing, time-based, 74–76
- Margin retreat, 65
- Market growth, as a sign of success, 319
- Market map, 287
- Market segments, focus on, 40
- Market share, 9–10
  - of cash cow, 260
  - and evils of average costing, 46–48
  - paradox, 27–29
  - shifts, 18–19, 27–29
- Mass customization of relations with employees, 215–216
- Media convergence, 194
- Mercantile Stores, 197
- Microsoft, 207
- Middle management, 327–330
- Miles, Anthony W.:
  - on creative analysis, 369–370
  - on renaissance of portfolio, 265–268
- Mitsubishi Electric, 78–80
- Modularity, 129–130
- Morel, Philippe: and George Stalk, Jr., Peter Stanger, and Peter Wetenhall, on pricing myopia, 157–162
- Motivation, intrinsic, 130–131
- Multidivision business, controlling growth of, 234–236
  
- Natural competition, 2–4
  - versus strategic competition, hypotheses concerning, 5–6
- Navigation, logic of, 118
- NEC, 293
- Network capital, 221–222
- Network organizations, 289–291
- Newell Corporation, 296
- Newspapers, and the electronic revolution, 108–109
- Next-day delivery, 177
- Nicol, Ron, on shaping up: the delayed look, 298–302
- Nike, and electronic information, 102
- Nintendo, 156–157
- North, Douglass, 133
  
- Obsolete concepts, letting go of, 323–324
- Ohno, Taiichi, 69, 367
- Olsen, Eric E.:
  - and Felix Barber, Jeff Kotzen, and Rainer Strack, on workonomies, 248–253
  - on new directions in value management, 244–248
- OODA loop, 371–372
- Open-source approaches to organization redesign, 307
- Open-source software community, 120–121
- Orchestrating products, 186
- Organizational imperatives, 150 (chart)
- Organization design, 42, 281–308
- Organization forms, common characteristics of, 284
- Organizations, redesigning, 302–308
- Outsourcing, 201–202, 218–222
- Overhead, source of, 195
  
- Panasonic, 291
- Pareto Principle, 132
- Partnership, ultimate form of, 197
- Pecaut, David K., and George Stalk, Jr., and Benjamin Burnett, on breaking compromises, 179–183
- People, importance of, 192–193
- PepsiCo, 295, 296
- Perfect competition, 5
- Performance, optimizing, 234–235
- Performance measurement, 227–228
  - establishing new, 239–240
  - that work, 238–239
  - using, 237–240
- Physical synergies, 209
- Platform for Internet Content Selection (PICS), 117
- Policy change, 310–312
- Pool, Martin, 122, 131
- Portals, creating, 217
- Porter, Michael, (*Competitive Advantage*), 101
- Portfolio, corporate, 262–264, 265–268
  - and business performance, 266 (chart)
- Portfolio, renaissance of, 265–268
- Portfolio, star of, 258–259
- Portfolio concept, 264–268
- Portfolio position, and business performance, 266 (chart)
- Portfolio strategy, 275–280
- Power, hierarchy of, 106–107 (chart)
- Price, constant as a strategic target, 21
- Price change:
  - consequences of, 24–27
  - effects of, 21–24 (charts)
    - Japan and, 23
    - strategic implications of, 25–26
- Price as a parallel of cost, 19–21 (charts)
- Price realization specialists, 146
- Price stability, experience curve and, 18–24

- Pricing:
- bundling, 161
  - de-averaged, 161
  - dynamic, 161
  - experience curve, 160
  - leakage, 159–160
  - loyalty-based, 161
  - myopia, cure for, 161–162
  - myopia in, 157–162
  - paradox, 24–27
  - researching behavior of, 9–11
  - strategies, 160–161
- Printing, economics of, 108
- Private equity:
- implications for management, 274–275
  - taking advantage of, 273–274
- Private label growth, 157
- Probing, or asking why, 366–368
- Problems, nature of, 356–357
- Procter & Gamble, 156
- Product development, use of teams, 185
- Productivity, constraints on, 390–391
- Product line, specialization, 48–51
- Products, that are cash traps, 255–257
- Profit center, ethics and, 229–231
- Profit centers:
- decentralization and, 282–285
  - origination of, 142
- Profit equation, 24–27
- Profitability, measuring, 140
- Project management, continuous, 198
- Public company:
- as cash cow, 272–273
  - private buyouts of, 271–272
  - private equity and, 273–274
- Publicly held companies, 271–275
- Public policy implication, of the Rule of Three and Four, 33–34
- Publishing, magazine, lessons from, 183–186
- Real objectives, 38
- Redesign, organization, 302–308
- characteristics of, 305 (chart)
  - corporate centers, 308
  - hybrid structure, 306 (chart)
  - issues, identifying, 302–304
  - obstacles to, 304
  - organization, rewards for, 307
- Reductionist thinking, 373–375
- Reengineering, 41, 294
- Reiner, Gary, and Shikhar Ghosh, on lessons from magazine publishing, 183–186
- Reinvention, imperative of, 208
- Reinvestment, tax laws and, 263
- Rembrandt hunters, 190
- Resource allocation, 254
- Rheault, Dennis N., and Simon P. Trussler, on activist center, 295–297
- Rivette, Kevin, and Mark Blaxill, on acquiring your future, 189–193
- Robespierre, Maximilien, 211
- R.R. Donnelley & Sons, 262
- Rsync, 122
- Rule of Three and Four, 31–34
- as good prediction of results of effective competition, 32
  - creation of, conditions present in, 31
  - public policy implications of, 33–34
  - strategy implications of, 32–33
  - tactical implications of, 33
- Russell, Paul, 122
- SABRE reservation system, 102–103, 207
- Sales/distribution, time-based, 76–77
- Scale, and the experience curve, 16–18
- Scale/complexity dilemma, 41
- Scannell, Kate, 272
- Seagate Technology, 272, 274
- Segmentation:
- competitive, 140–141
  - defining, 137–138
  - and strategy, 139–141
- Segment-of-One marketing, 147–150
- Semantics, shared, 220
- Shulman, Lawrence E.:
- and Barry Jones, on choices again, 376–377
  - on capitalizing on anomalies, 176–179
  - on end of the public company—as we know it, 271–275
  - and George Stalk, Jr., and Philip B. Evans, on competing on capabilities—new rules of corporate strategy, 82–99
- Shu Uemura, 149
- Siegel, Philip, and Michael J. Silverstein, on discovering your customer, 151–154
- Silverstein, Michael J.:
- and David C. Edelman, on total brand management, 154–157
  - on from the insight out, 174–176

- and Lucy Brady, on trading down living large on \$150 a day, 168–172
- and Neil Fiske, on trading up, 162–168
- and Neil Fiske with John Butman, (*Trading Up*), 162
- and Philip Siegel, on discovering your customer, 151–153
- Sirkin, Harold L., and James P. Andrew, on innovating for cash, 186–189
- Smith, Adam, 373
- SmithKline Beecham, 156
- Social commentary, 381–403
- Social commitment of business, 391–392
- Sourcing, 218–222
- Sourcing, strategy, 218–219
- Sourcing strategies, alternative, 222 (chart)
- Specialization, 48–51, 143–145
  - potential effects of, 15–16
  - types of, 145–146
- Spring Mills, 197
- Stability, competitive, 316–318
- Stagnation, versus change, 333–335
- Stalemate:
  - challenge to, 55
  - conditions of competitive, 51–56
- Stalk, George, Jr.:
  - and David K. Pecaut, and Benjamin Burnett, on breaking compromises, 179–183
  - and Philip B. Evans, and Lawrence E. Shulman, on competing on capabilities—new rules of corporate strategy, 82–99
  - and Philippe Morel, Peter Stanger, and Peter Wetenhall, on pricing myopia, 157–162
  - and Rob Lachenauer, on hardball manifesto, 377–380
  - and Rob Lachenauer (*Hardball: Are you Playing to Play or Playing to Win?*), 377
  - and Thomas M. Hout, revolution of the factory floor, 59–62
  - on time as next source of competitive advantage, 63–82
- Stanger, Peter: and Philippe Morel, George Stalk, Jr., and Peter Wetenhall, on pricing myopia, 157–162
- Stern, Carl W., on deconstruction of value chains, 198–201
- Strack, Rainer, and Eric Olsen, Felix Barber, and Jeff Kotzen, on workonomies, 248–253
- Strategic business units, origin of, 142
- Strategic competition:
  - basic elements of, 2
  - definition of, 2–3
  - elements of, 2
  - hypotheses concerning, 5–6
  - versus natural competition, 2–5
  - as relatively new business phenomenon, 2
  - of the Rule of Three and Four, 32–33
- Strategic implications: price increase and, 25–26
- Strategic sectors, 141–142
- Strategic vision, developing, 350–351
- Strategy:
  - definition of, 1
  - and learning, 323–327
  - relationships that support, 325
  - systems perspective of, 326
  - time-based, 80–82
  - wellspring of, 344–345
- Success:
  - adaptation and, 322
  - organizing for, 319–321
  - phases of, 320 (chart)
  - signs of, 319
  - sustained, 318–322
  - transitions and, 321
- Supplier relationships, 102
- Synergies, finding, 209–210, 341
- Tactical implications, of the Rule of Three and Four, 33
- Tanguay, Ray, 129
- Targets, selecting, 191–192
- Tax laws:
  - destructive to business, 387–387
  - reinvestment and, 263
- Tax objectives, conflicting, 385–387
- Tax policy, changes to, 386
- Technology change, intuition and, 288
- Technology and the richness-reach trade-off, 219 (chart)
- Tektronix, and China, 225
- Television industry, economics of, 118
- Texas Pacific, 273
- 3M, 291
- Tilles, Seymour:
  - on segmentation and strategy, 139–141
  - on strategy and learning, 323–37
- Time:
  - and advantage of flexible manufacturing, 68 (chart)
  - and benefits of focus, 66 (chart)
  - historical factors concerning, as strategic weapon, 64–70

- Time (*Continued*)  
 in planning loop, breaking of, 72–74  
 as source of competitive advantage, 63–82
- Time compression, 2
- Time targets, 184
- Timing, insight and, 179
- Torvalds, Linus, 126, 130
- Total brand management, 154–157
- Total business return (TBR), 243
- Total quality management (TQM), 395
- Total shareholder return (TSR),  
 improving, 245–247
- Toyota, 61, 219–221  
 network capital and, 221 (chart)  
 and probing, 366–367  
 and similarities and differences to  
 Linux, 121–134  
 sourcing strategies, 222 (chart)  
 as time-based competitor, 75–76
- Toyota Production System (TPS), 121–134
- Toys R Us, 209
- Trading down, 168–172  
 demographics and, 169–170  
 strategies, 171
- Trading up, 162–167
- Traditional organizations, versus network  
 organizations, 290–291
- Transaction costs, 133–134
- Transitions, managing, 321
- Tridgell, Andrew, 122
- Trussler, Simon P., and Dennis N.  
 Rheault, on activist center, 295–297
- Trust, levels of, 131
- Unilever, 156
- UNIX, 120–121
- Valuation gap, 246 (chart)
- Value:  
 of cash cow, 261  
 keys to capturing, 158
- Value added, decline of, 15
- Value chain,  
 deconstruction of, 105, 107–114, 194,  
 198–202  
 de-averaging and, 201–204  
 implications of, 200–201  
 patterns of, 199–200  
 logic of, 198–199  
 reconstruction of, 183
- Value creation:  
 employee perspective, 250 (chart)  
 intuition and, 288–290  
 sustaining, 275–280
- Value gate, 190
- Value management, new directions in,  
 244–248
- VerticalNet, 210
- Virtuous circle, 134
- Von Clausewitz, Carl, 342–344
- Von Oetinger, Bolko, on leadership in a  
 time of uncertainty, 342–345
- Wachovia, 98–99, 147–148
- Wallis, J. J., 133
- Wal-Mart, 83–39, 94–97, 102, 168, 207, 296
- Walton, Sam, 83–84, 96
- Warfield, Mike, 122, 131
- Warren Featherstone, 197
- Welch, Jack, 270, 297  
 delayering and, 298  
 market change and, 325
- Wetenhall, Peter, and George Stalk, Jr.,  
 Peter Stanger, and Philippe Morel,  
 on pricing myopia, 157–162
- Williamson, Oliver E., (*Markets and  
 Hierarchies: Analysis and Antitrust  
 implications*), 104, 133
- Winger, Richard, and David Edelman, on  
 Segment-of-One marketing, 147–150
- Wolf, Bob: 130, 135  
 and Philip B. Evans, collaboration rules,  
 120–135  
 and Philip Evans, on richer sourcing,  
 218–222
- Work discipline, common, 124–125
- Workonomics, 248–253
- Wurster, Thomas S.:  
 and Philip Evans, on from “Clicks and  
 Mortar” to “Clicks and Bricks,”  
 208–210  
 and Philip Evans, on thinking  
 strategically about e-commerce,  
 205–208  
 and Philip B. Evans, on strategy and the  
 new economics of information,  
 99–120
- Wurster, Tom, and Philip Evans, *Blown to  
 Bits*, 42
- Xerox, 87
- Yves Rocher, 149
- Zakon, Alan J., and Richard K. Lochridge,  
 on sustained success, 318–322