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*Organic growth is the key issue for 59 percent of the senior executives running US, European, and Asian companies, according to a recent survey. This is understandable because above average organic growth is associated with the top quartile performance in total shareholder returns 93 percent of the time. Our columnists provide other data supporting the pursuit of organic growth rather than acquisitions.*
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*Most strategic planners agree that, in a time of extreme competition, such as the current environment, dependence on "conventional wisdom" in planning can be fatal to organizations, careers, and even nations. Strategies developed on the basis of such unexamined assumptions are brittle and cannot endure. But despite this knowledge, reliance on extrapolative forecasting and conventional wisdom can prove too seductive for even superbly educated and intelligent executives to resist.*

## Feature articles

- The perfect market – and strategies to survive it** 11  
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*Powerful storms of change such as globalization, the democratization of governments and economies, and the mass digitization of information and commerce present established companies with unique opportunities and threats. As these storms mature and coalesce, a "perfect market" emerges where firm structures such as inflexible operating models will quickly topple. Inertia caused by complacency, resistance to change and sheer size will be like anchors on sinking ships. The perfect market will demand fluidity and agility, the ability to scale up or down in response to changes in demand, and the ability to form and dissolve business relationships at a moment's notice.*
- A health audit for corporate entrepreneurship: innovation at all levels: part II** 21  
R. Duane Ireland, Donald F. Kuratko and Michael H. Morris  
*The authors fill an existing void between researchers and practitioners in presenting steps that firms can take to transform their current entrepreneurial potential into the "ideal" characteristics studied in entrepreneurship research. They offer a unique organizational tool, the "Corporate Entrepreneurship Climate Instrument," which identifies why a firm has developed its current level of entrepreneurial intensity. Demonstrates to managers how to approach the concept of entrepreneurship within an established organization, including how to diagnose characteristics constraining the firm's entrepreneurial potential and how to build commitment encouraging entrepreneurial behaviors.*
- Practical strategy development: a wise investment for middle market businesses** 31  
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*Formal strategy development receives short shrift in many middle-market businesses, even as market and industry forces grow more antagonistic. The practical, streamlined methodology presented in this paper delivers substantial process and content dividends – giving managers strategic perspective, a forum for debating resource allocation, and an accessible platform for setting priorities and making key decisions. Equally important, it is a straightforward approach to securing stakeholder input, enhancing the firm's ability to carve out competitive advantage and enhance stakeholder satisfaction.*
- The logic of Chinese business strategy: East versus West: part II** 43  
Usha C.V. Haley and George T. Haley  
*Profitable foreign multinationals in China appear to modify their management practices on eight dimensions, often adopting traditional Chinese methods of strategic planning and evaluations of effectiveness, as well as relations with key stakeholders, especially the government. Yet, these multinationals continue to retain their Western norms and values in business dealings. Conversely, profitable Chinese companies that compete with these multinationals also modify their management practices in line with Western norms.*
- Staffing for high tech in China: finding the right leaders for global initiatives** 54  
Train Luo  
*Motorola, Wal-Mart, Intel, Siemens and Advanced Micro Devices are among the multinationals that have announced their intention to invest heavily in Chinese operations. But unless such companies understand precisely where their China operations stand in terms of corporate evolution and choose their leadership accordingly, they are likely to make some damaging missteps. Foreign companies in China have in fact tended to make identical hiring mistakes at each stage of evolution of their operations there. Train Luo provides guidelines and cautions for hiring to ensure that the right people fill the key positions as companies expand.*
- Reputation risk: it is the board's ultimate responsibility** 59  
Grahame Dowling  
*The numerous corporate scandals of the last decade have highlighted how unaware many boards were of deep-seated problems in their companies. Their lack of diligence contributed in part to their company's loss of reputation. This paper acts as a "call to arms" to boards to put corporate reputation on the formal corporate governance agenda. When a board takes formal responsibility for the overall health of their company's reputation, it becomes a key performance indicator of the company's executive management team.*