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Corporate governance

Corporate governance best practices: the proof is in the process 5

Catherine M. Dalton and Dan R. Dalton

*Despite all the legislation and regulations, despite the scandals and promises to reform, there is little evidence that corporate governance, specifically board effectiveness, has significantly improved over time. Our columnists contend that board process is ultimately the key to board effectiveness. No amount of structure can overcome the deficiencies that result from poor process.*

Alternative strategies

Stick this in your stovepipe 8

Patrick Marren

*Often when a society has utterly collapsed, the last remains of the civilization are the chimneys of the buildings. Similarly, when a business organization is in a state of imminent collapse, its vertical structures – its "stovepipes" – often remain in place, long after their usefulness has dissipated. Management needs to understand the tradeoff between the team spirit found in stovepipes and the importance of information sharing between stovepipes.*

## Feature articles

Merck & Co. Inc.: communication lessons from the withdrawal of Vioxx 11  
James S. O'Rourke IV

*This paper examines communication strategies, organization, and tactics of the pharmaceutical firm Merck as corporate executives and staff faced the withdrawal from market of Vioxx, the company's most profitable product. The author, in several interviews with the senior communication executive of Merck, reports on how the organization mobilized to announce the recall to many different audiences simultaneously. He suggests that even large, well-funded, experienced professionals may need to reconsider their organizational structure as they address a multi-faceted, large-scale problem.*

Are you enjoying globalization yet? The surprising implications for business 23

Adrian Slywotzky, Peter Baumgartner, Larry Alberts and Hanna Moukanas

*Globalization is changing the nature of competition and value creation in ways more subtle and fundamental than simply cost. By incubating scores of new business models that can unseat established companies, globalization is creating opportunities for new value creation and highly profitable growth at the two ends of the value chain – new customer connections at one end and new models of innovation at the other.*

Not by technology alone: sustaining winning strategies 33

Eric G. Olson

*Achieving long-term profitability and growth is increasingly difficult for many companies because of shorter product lifecycles, eroding intellectual property advantages, and other complexities in the business environment. But when operations are integrated with business strategy, forces align to sustain profitability and the strategy becomes more difficult to imitate. The author explains the importance of integrating operational capabilities with business strategy using real-world cases, research and industry-accepted practices.*

Cultural competence in the business world: a Finnish perspective 43

Markku Wilenius

*The growing importance of the creative class has been apparent in the Finnish economy, as well as many other economies, for quite some time. The emergence of digital technology and new channels of distribution have made art and culture key factors of production. An ever greater share of corporate staff needs inter-cultural sensitivity and skills. The author examines cultural competency in the business world and its value for innovative problem-solving.*

Strategic marketing and the global banking industry: elements of excellence 50

Pieter Klaas Jagersma

*Over the last few years, senior executives of banks have increasingly come to the realization that strategic marketing must form an integral part of their competitive strategies. On the basis of survey material, this article examines the banking industry and possible response strategies, including the four development stages of strategic business marketing, from the sales-oriented era to the needs-driven era.*

Memory loss? Corporate knowledge and radical change 60

Nicholas J. Scalzo

*When employees leave an organization in large numbers, one potential result is the loss of organizational memory – the tacit knowledge, skills, and expertise of how to do the work. Using a qualitative case study methodology, the author explores what happened to the organizational memory system in one financial services organization that experienced radical organizational change yet managed to retain critical elements of corporate memory.*

Bouncing back: response strategies to the dotcom bust in Israel 70

Michael Etgar

*Catastrophic changes threaten the very existence of firms. In order to survive in such situations, firms must make basic strategic shifts in their business orientations. This article reports how firms in the high-tech sector that experienced the "bursting of the high tech bubble" crisis in 2000-2002 reacted by changing their managerial orientations. The author interviewed managers at a number of Israeli high-tech firms and reports on his findings.*