

October 2005

### 62 Growing Talent as if Your Business Depended on It

Jeffrey M. Cohn, Rakesh Khurana, and Laura Reeves

With lurid visions of missed earnings targets, fatal accounting blunders, and departing CEOs dancing in their heads, boards often pay little attention to an equally disturbing picture: the lack of quality leaders coming up through their organizations. Find out how some smart companies are developing their talent and building their bench strength.

### 72 The Office of Strategy Management

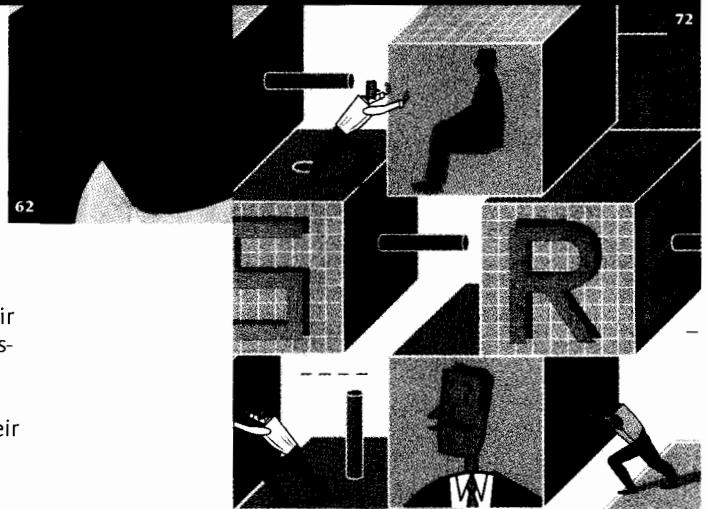
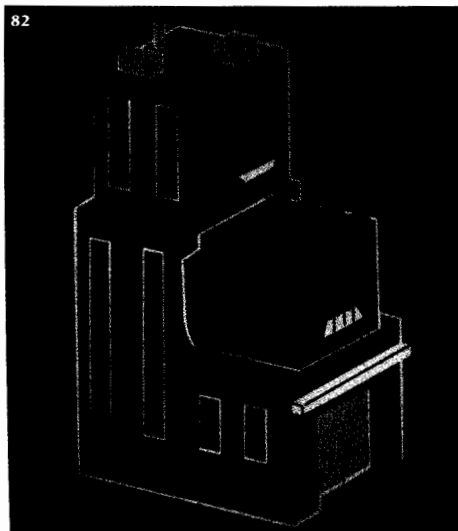
Robert S. Kaplan and David P. Norton

Your employees can help implement your strategy only if they understand it. Chances are, they don't. Here's a blueprint for setting up a (small) corporate unit that will make sure your strategy is well communicated—and well executed.

### 82 The Passive-Aggressive Organization

Gary L. Neilson, Bruce A. Pasternack, and Karen E. Van Nuys

Decisions are routinely criticized, often ignored, and even reversed. Is it any wonder that, faced with some new directive, employees smile but refuse to budge? There is a way of getting companies with this problem moving again—but it's a drastic one.



### 96 Information Technology and the Board of Directors

Richard Nolan and F. Warren McFarlan

Most boards remain largely in the dark when it comes to IT spending and strategy, despite the fact that corporate information assets can account for more than 50% of capital spending. That's got to change, especially for companies whose very survival depends on state-of-the-art technologies.

### 108 The Hard Side of Change Management

Harold L. Sirkin, Perry Keenan, and Alan Jackson

Many change management experts are obsessed with "soft" factors, such as culture and leadership. These factors are important, say three management consultants, but they alone won't bring about change. The hard elements—like project duration and staffing requirements—must also be given due consideration.

*continued on page 6*



October 2005

**10 FROM THE EDITOR**  
**First Things First**

One lesson of Katrina is that organizations and systems manage interdependencies badly.

**16 FORETHOUGHT**

Economic models combine mathematics and imagination...Government by desks...What's your product's platform potential?...Chief diversity officers oversee innovation efforts and generate revenues...Founders should be keepers... A subtle approach helps keep new customers...Advice on choosing management books from a man who's read 1,500 of them...Your company might have more room to grow than you think... How customers' perceptions of brand affect stock price...Are you hiring a new COO—or a potential successor?

**31 HBR CASE STUDY**  
**The Cane Mutiny:  
Managing a Graying Workforce**  
Cornelia Geissler

A shift in demographics will soon mean mass retirement at Mediagnostics—and too few candidates to fill the empty spots. But executives' eyes are glued to the bottom line. How can an HR manager get the top team to see the impending crisis and buy into his strategy to head it off?

**45 BIG PICTURE**  
**Zeitgeist Leadership**

Anthony J. Mayo and Nitin Nohria  
You may be the right leader for your company today, but will you be able to capitalize on the context in which your business will operate ten years from now? A close look at how broad forces played out in the past century could point the way.



**94 STRATEGIC HUMOR**

**120 BEST PRACTICE**  
**Master of the House: Why a  
Company Should Take Control  
of Its Building Projects**

David Thurm

A big construction project isn't just about bricks and mortar; it's about identity. If you want a soulless, mediocre facility, just sign a check and delegate away. But if you'd rather create a building that reflects your company's mission on the outside and energizes the work environment within, read on.

**131 FRONTIERS**  
**Four Strategies for the  
Age of Smart Services**

Glen Allmendinger and  
Ralph Lombreglia

Soon, it won't be enough just to wrap valuable services around your products. Some companies are building awareness and connectivity into their products—and deriving more than 50% of their revenues and 60% of their margin contributions from these "smart services." Here's how you can do the same.

**147 LETTERS TO THE EDITOR**

Companies that add Six Sigma to their pricing analysis tool kits may be missing out on some top pricing opportunities.

**160 PANEL DISCUSSION**  
**Give to Get**

Don Moyer

Don't step on heads to get ahead. Help superiors, employees, and peers alike.

**8 COMPANY INDEX**

HBR now includes an index of authors' affiliations and organizations mentioned in articles.

**155 EXECUTIVE SUMMARIES**