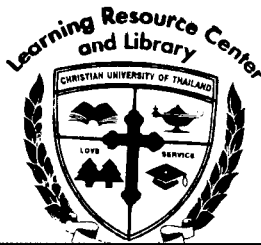
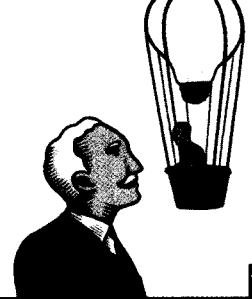


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60 Emerging Giants: Building World-Class Companies in Developing Countries

Tarun Khanna and Krishna G. Palepu

Western, Japanese, and South Korean companies appear to hold near-insurmountable advantages over businesses in newly industrializing countries—primarily because of their access to vast reservoirs of finance and talent. But some emerging-market companies are turning perceived disadvantages into business opportunities and competing successfully at home and abroad. Here's how.

72 The Tools of Cooperation and Change

Clayton M. Christensen, Matt Marx, and Howard H. Stevenson

Employers can use all kinds of tools to get their employees to cooperate with a major change program, from vision statements to financial incentives to threats. Choosing the right cooperation tool starts with knowing to what extent employees agree on two crucial issues: what they want out of the organization and how to get it.

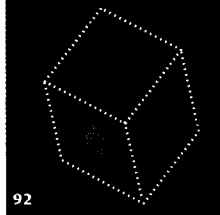
82 THE HBR INTERVIEW

Ideas as Art

James G. March

Interviewed by Diane Coutru

Stanford University's James March shares his thinking on aesthetics, leadership, the role of folly, and the irrelevance of relevance.



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92 Strategies for Two-Sided Markets

Thomas Eisenmann, Geoffrey Parker, and Marshall W. Van Alstyne

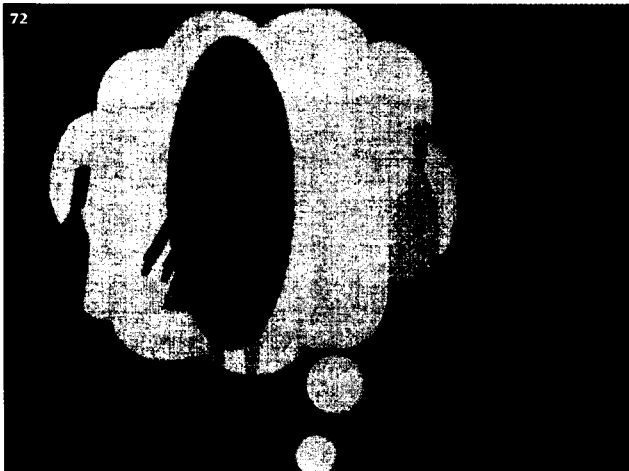
Many of the blockbuster products and services that have redefined the global business landscape tie together two distinct groups of users in a network. Credit cards link consumers and merchants; search engines connect Web users with advertisers. The distinct character of these two-sided network businesses demands a new approach to strategy.

102 Meeting the Challenge of Corporate Entrepreneurship

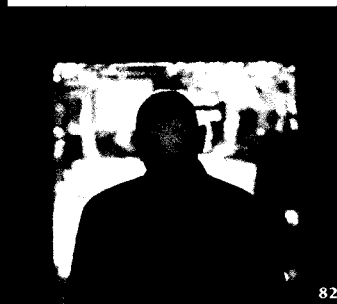
David A. Garvin and Lynne C. Levesque

To grow innovative emerging businesses, companies must effectively blend new traits with old ones. They can do that by performing balancing acts in three crucial areas: strategy, operations, and organization.

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Fair Business Is as Fair Business Does

Western companies expect to be treated fairly as they expand into emerging markets like China, India, and Brazil. Staring them in the face at home, however, is the stock-option-dating scandal. Shouldn't decency translate equally across cultures and economies?

20 **FORETHOUGHT**

The nationality of firms is becoming more, not less, clear...When so-called best practices fail to deliver...Indians are getting more materialistic...No one likes a perfect brand...Sending consistent corporate messages...Online shopping in 3-D...Following in the footsteps of an icon...Is the globalization apocalypse upon us?

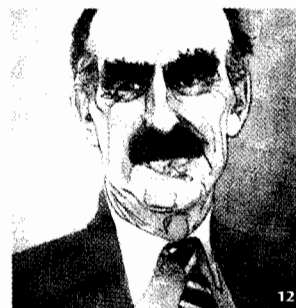
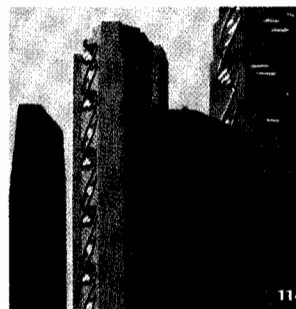
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What Serves the Customer Best?
Paul F. Nunes and Woodruff W. Driggs

Whiskey maker Glenmeadie is facing a trade-off: Front-office innovations are increasing sales and customer loyalty. But by siphoning money away from product innovation, they might produce the opposite effect in the long term.

53 **DIFFERENT VOICE**
Sleep Deficit:

The Performance Killer
A Conversation with Harvard Medical School Professor Charles A. Czeisler

Corporations try to protect employees with rules against workplace smoking, drinking, drugs, sexual harassment, and so on. Yet they keep asking people to work too hard, too long, and with too little sleep. The toll on morale and performance can be significant. So why are so few companies doing anything about it?



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Lessons from Biotech
Gary P. Pisano

The birth of biotechnology created high hopes for a revolution in drug R&D. Three decades later, those hopes are largely unrealized. Can companies that conduct basic scientific research as a core activity be profitable? Yes—with a different anatomy.

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Classic Advice from Theodore Levitt
An early proponent of the need for companies to focus on customers, Theodore Levitt was one of business's great minds. Read excerpts from six of his most influential HBR articles.

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Consumer-directed health plans don't necessarily create any true savings for the U.S. health care system. They only help employers shift the responsibility and the cost of health care to their employees.

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