# HRR MARCH 2008

## **Features**

## 50 When Growth Stalls

Matthew S. Olson, Derek van Bever, and Seth Verry Of the companies listed on the Fortune 100 since its inception, 87% have experienced an abrupt and lasting drop in revenue growth. The causes of these stalls are known, and managers on the lookout can learn to prevent most of them.

## 62 Transforming Strategy One Customer at a Time Richard J. Harrington and Anthony K. Tian

Taking a page from consumer products makers, B2B giant Thomson Corporation began systematically scrutinizing the people who used its products. What it learned would radically change the entire company.

## 74 Talent Management for the Twenty-First Century

Peter Cappelli

Every talent management system that seems novel today from executive coaching to job rotation to high-potential programs - was developed in the 1950s. It's time to look elsewhere for a model better suited to meeting demand in uncertain environments: supply chain management.

## 84 How Local Companies Keep Multinationals at Bay

Arindam K. Bhattacharya and David C. Michael Domestic companies in emerging markets are beating transnational rivals by adopting most or all of the elements in a sixpart strategy. Learn how these little-known local competitors have become homegrown champions.

## 96 A More Rational Approach to New-Product Development

Eric Bonabeau, Neil Bodick, and Robert W. Armstrong. By dividing development into two stages, companies can evaluate potential products much more quickly and cheaply than they do now. Eli Lilly shows you how.

continued no page 6



## HBR MARCH 2008

## Departments

### 10 COMPANY INDEX

## 12 FROM THE EDITOR Staying on Top

When a company's growth stalls out, executives must do everything in their power to restart its engines – or face grave and lasting consequences.

### 18 FORETHOUGHT

The world isn't just flat – it's also spiky ... More information is better than less on e-commerce sites... Mine the unconscious wisdom of crowds... Even the mere thought of rudeness is destructive... Why retailers should not cut staff when sales slip... The power of encouragement... Product recalls are highly preventable... What if you made every day your last?... Start-ups that offer hope for cutting health care costs.

## 33 HER CASE STUDY Authenticity: Is It Real or Is It Marketing?

David Weinberger

A motorcycle maker's new head of marketing says it's not enough to project authenticity to customers – employees must personally subscribe to the brand's values. His campaign shows promise, but is he taking things too far? With commentary by Bruce Weindruch, Gillian Arnold, James H. Gilmore, B. Joseph Pine II, and Glenn Brackett.

## 45 DIFFERENT VOICE Timeless Leadership A Conversation with David McCullough

The demands upon leaders may change from era to era and from culture to culture, but certain fundamental qualities of great leadership endure. They include optimism, hard work, a nose for talent, persuasiveness, the ability to listen, and – perhaps most important – strength of character and high standards of conduct.

### 82 STRATEGIC HUMOR

## 109 TOOL KIT Is Yours a Learning Organization? David A. Garvin, Amy C. Edmondson, and Francesca Gino

To enable your organization to excel at creating, acquiring, and transferring knowledge, you must first understand how learning takes place there. A new survey tool allows you to scrutinize your institution's learning strengths and weaknesses and to compare them against benchmarks from a baseline group of companies.

## 118 BEST PRACTICE Radically Simple IT

David M. Upton and Bradley R. Staats

Japen's Shinsei bank used a path-based approach to build an enterprise IT system that not only provides a low-cost, efficient platform for running the company's existing business but also is flexible enough to support growth into new areas.

### 126 LETTERS TO THE EDITOR

130 EXECUTIVE SUMMARIES

## 136 PANEL DISCUSSION Zero Risk

Bon Moyer

Why we fear (fruitful) failure.





