Contents

About the Spotlight Artist
Josef Schulz graduated from the Düsseldorf Academy of Art in Germany with a master's in photography in 2002. He digitally alters his pictures of warehouses, factories, and other nondescript buildings to erase indications of age, location, and environment. Shape and color then become the focus of the images; the buildings resemble toy architecture, appearing to be benign counterparts of themselves.

64 How P&G Tripled Its Innovation Success Rate The company's "new-growth factory" is still ramping up but has already boosted new and core businesses alike. Here's the way the factory works. Bruce Brown and Scott D. Anthony

74 The Ambidextrous CEO When senior teams leave it to lower-level managers to make trade-offs between the demands of core businesses and speculative units, innovation often loses out. CEOs must make sure the tensions between current and future needs are resolved at the very top. Michael L. Tushman, Wendy K. Smith, and Andy Binns

82 The Innovation Catalysts Intuit's Design for Delight program makes grassroots innovation a part of company culture. Roger L. Martin

88 Innovating on the Cheap Chances are, new hit products are lurking inside your company, in the form of discoveries and assets whose potential you have overlooked. Lance A. Bettencourt and Scott L. Bettencourt
THE BIG IDEA

Before You Make That Big Decision...
Be aware that dangerous biases can creep into every strategic proposal you review. Identify—and neutralize—the errors in your team's reasoning, before they lead you astray. Daniel Kahneman, Dan Lovallo, and Olivier Sibony

How Customers Can Rally Your Troops
Customers, clients, patients, and other end users may be your most important allies in motivating and inspiring employees. Adam M. Grant

Competing Against Free
What do you do when a rival offers a free version of a product that's similar to yours? Assess the threat and then help your company embrace a free-product strategy. David J. Bryce, Jeffrey H. Dyer, and Nile W. Hatch

45 HOW I DID IT
Genpact's CEO on Building an Industry In India from Scratch
How a small division of GE Capital grew from a few employees to a global enterprise of 43,000 Pramod Bhasin

113 THE GLOBE
Segmenting the Base of the Pyramid
The population at the bottom is not a monolith. Make profits by taking a segment-specific approach to genuinely improving people's lives. V. Kasturi Rangan, Michael Chu, and Djordjija Petkoski

ONLINE ONLY
Learn how to create a customer-centric organization at hbr.org/insights/customers.
Departments June 2011

16 From the Editor

Interaction

20 Idea Watch

25 FIRST
What the West Doesn’t Get About China
How companies can adapt to China’s rapid transformation to a consumer-driven market.
PLUS The best way to fund CSR, and the surprising value of customer referrals

32 DEFEND YOUR RESEARCH
What Makes a Team Smarter? More Women
The intriguing findings from a new study on group intelligence

34 VISION STATEMENT
Forget Viral Marketing—Make the Product Itself Viral
The effects of automatic notifications and personalized invitations on product adoption

38 STRATEGIC HUMOR

COLUMNS

40 ROBERT SUTTON
Make sure you step down gracefully.

42 DUNCAN SIMETER
Who’s really behind those online reviews?

“Everyone participates,” page 140

Engineering products to increase peer-to-peer promotion page 34

119 Experience

119 MANAGING YOURSELF
The Paradox of Excellence
High achievers are driven and ambitious—so why do they often get stuck in their careers? Thomas J. DeLong and Sara DeLong

124 CRUCIBLE
The Reluctant Social Entrepreneur
After being diagnosed with a deadly cancer, rising corporate star Kathy Giusti galvanized efforts to find a cure. Steven Prokesch

129 CASE STUDY
Time for a Unified Campaign?
A hotel group badly needs to increase bookings. Should the promotion be individual or corporate? Marco Bertini and John T. Gourville

134 SYNTHESIS Reviews

136 EXECUTIVE SUMMARIES

140 LIFE’S WORK
Ferran Adrià The celebrated chef on building a culture that drives efficiency and nurtures creativity