



FEATURES

May 2005

58 **Building Breakthrough Businesses Within Established Organizations**

Vijay Govindarajan and Chris Trimble

Established companies notoriously find it difficult to capitalize on groundbreaking innovations. The new business invariably seems to face roadblocks, especially from the core company. Here's a way to get past those barriers and pave the way toward success.

72 **Your Company's Secret Change Agents**

Richard Tanner Pascale and Jerry Sternin

Most companies implement change initiatives through top-down rollouts of cookie-cutter solutions. But there is a better way. Within your organization, groups of innovators are already solving your most daunting problems. It's time to find them and put their ideas to work.



86 **Break Free from the Product Life Cycle**

Youngme Moon

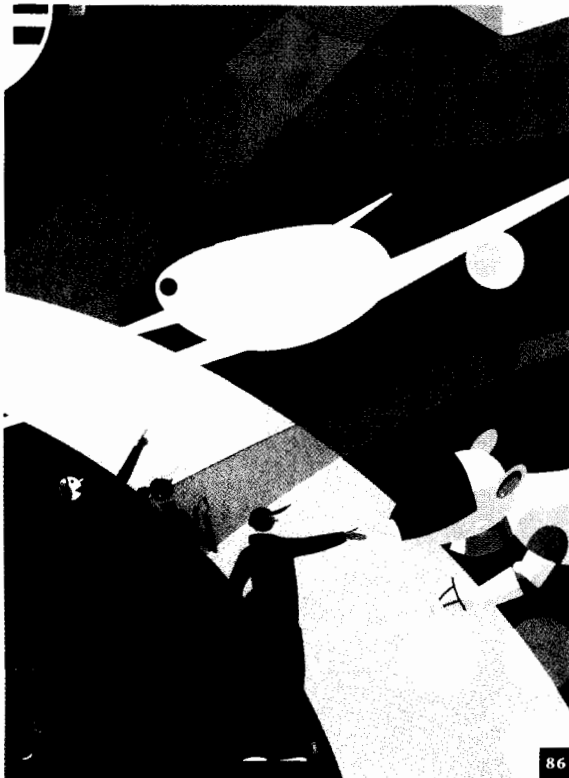
When marketers reflexively embrace the old life-cycle paradigm, they needlessly consign their products to following the curve into maturity and decline. By positioning their products in unexpected ways, companies can shift mature offerings back—and catapult new products forward—into the growth phase.

96 **How Business Schools Lost Their Way**

Warren G. Bennis and James O'Toole

Business schools are on the wrong track. They are so focused on scientific rigor that they hire and promote research-oriented professors who are more comfortable teaching methodology than messy, multidisciplinary issues—the very stuff of management. To regain relevance, B schools must rediscover the practice of business.

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10 FROM THE EDITOR Practice Makes Perfect

We at HBR live and breathe ideas. But understanding business begins with examining cases in the real world, where cars get made, where stocks are sold, where push comes to shove. We believe in theory because it serves practice.

18 FORETHOUGHT

Why the tech industry is too certain... Excessive trust can harm team performance... Place your product in a synthetic world... Corporate culture and the link to leadership styles... Are employees being treated like children?... The new economies of expertise... Aversion to risk hinders U.S. innovation... Lessons from Fabergé... How trade agreements can protect labor... Capturing customers' spare change.

33 HBR CASE STUDY Fat Chance

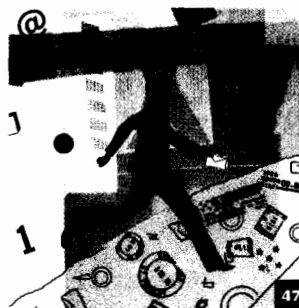
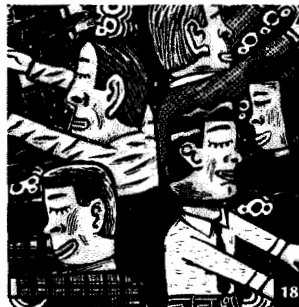
Bronwyn Fryer and Julia Kirby

Sid Shawn has the smarts, personality, and product knowledge to qualify him for a customer-facing position at NMO Financial Services. Sid also weighs 400 pounds. Will his size get in the way of a promotion?

47 FIRST PERSON Back Where We Belong

Michael J. Critelli

The CEO of Pitney Bowes provides a firsthand account of strategy making in a company threatened by obsolescence. The surprising conclusion? A corporate recommitment to the core business.



82 STRATEGIC HUMOR

124 BEST PRACTICE Creating the Living Brand

Neeli Bendapudi and Venkat Bendapudi

You don't have to be in the convenience store business to benefit from the six principles that QuikTrip and Wawa use to boost employees' pride in the brand—and to turn customers into devoted fans.

135 TOOL KIT Six Sigma Pricing

ManMohan S. Sodhi and Navdeep S. Sodhi

Want to get control of your prices without alienating customers? This approach is as effective as it is economical.

145 LETTERS TO THE EDITOR

It's simply not true that most high-performing new CEOs blow up management teams.

151 EXECUTIVE SUMMARIES

156 PANEL DISCUSSION The Problem with Plaudits

Don Moyer

Are your subordinates telling you what you need to know, or only what they think you want to hear?