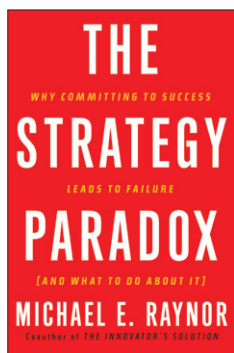


Reviews

The Strategy Paradox Why Committing to Success Leads to Failure (and What to Do About It)

by Michael E. Raynor
(Currency, 2007)

Michael Raynor has turned into a disruptive thinker in his own right. Better known until recently as Harvard Business School professor Clayton Christensen's coauthor—they teamed up to write *The Innovator's Solution* in 2003—Raynor explores a provocative thesis in his new book. Strategies that have the greatest chance of success, he argues, also have the highest probability of failure. The paradox arises because companies base strategies on specific beliefs or ideas about the future. The future is uncertain, however, and strategies succeed mostly because of luck; companies make what somehow proves to be the right choices. If they are unlucky, the same commitments prove to be the wrong ones—and enterprises fail.



Anticipating the skeptics' response, Raynor defends his two key assumptions: first, that companies can't develop projections that will allow them to make consistently successful strategy commitments

and, second, that companies can't adapt if they guess wrong. "There is always something out there that one cannot adapt to," he says.

If you can't predict and you can't adapt, what do you do?

To answer that question, Raynor engages us in a fresh conversation about strategy. Since the paradox is a structural problem, he proposes a simple structural solution that links hierarchy, time horizons, and uncertainty. Senior executives, responsible for long-term decisions, should focus on managing uncertainty; midlevel managers must translate the possibilities created by senior executives into commitments that functional managers must fulfill. And managers lower down the hierarchy should concentrate on delivering the commitments companies have already made.

Finally, Raynor describes a four-part tool set that companies can use to create strategic flexibility: building scenarios (anticipating); developing strategy responses for each scenario (formulating); deciding what strategic options are needed (accumulating); and managing the portfolio of real options (operating).

Both scenario-planning and real options are well-known tools, with more than their fair share of detractors. Raynor argues that by integrating them and grounding them in the organizational hierarchy, companies can create a novel response mechanism. However, he leaves the reader with a niggling feeling of distrust with his choice. Don't novel paradoxes demand novel tools?

Raynor appears to spend more time describing the problem than suggesting innovative ways of tackling it. Perhaps this book presents the dilemma—and the solution is likely to follow. He does have a point, though, when he says that traditional strategic planning incorrectly treats uncertainty as an afterthought. In today's world, companies would do better to build their strategies on the bedrock of uncertainty—not after assuming it away.

—Anand P. Raman

Damage Control: Why Everything You Know About Crisis Management Is Wrong

Eric Dezenhall and John Weber
(Portfolio, 2007)

Ever since the Tylenol-tampering incident in 1982, crisis management has emphasized expressing regret, taking responsibility, redressing harms, and convincing the public of one's good intentions. Dezenhall and Weber, two consultants, instead see most crises as assaults in the marketplace from determined adversaries unlikely to be won over. From the Audi "sudden acceleration" scam in America in 1986 to the supposed tainted Coke episode in Europe in 1999, they conclude, executives are better off responding to the reported facts according to the context of deeper public perceptions and the company's likely opposition. While some cases do call for immediate capitulation, the authors intelligently tell executives to prepare for hardball in many others. As for Tylenol, rather than a model of feel-good effectiveness, they persuasively show, it was an atypical case involving as much luck as wisdom.

God at Work: The History and Promise of the Faith at Work Movement

David W. Miller
(Oxford University Press, 2007)

Just as religion and spirituality are surmounting practical objections and gaining legitimacy in corporate life, here comes a book to make the trend sustainable. Miller, a former investment banker and now divinity school professor, usefully charts the history of previous attempts to put religion into business. An earlier attempt after World War II fizzled, he says, largely owing to lack of support from clergy and seminaries. The new wave of interest, he explains, arose in reaction to the corporate layoffs and scandals of the 1980s, but he says individual seekers still lack institutional support. He urges religious institutions to get beyond tired antibusiness clichés and recognize the prowork thinking deep in their traditions. This academic book offers only brief examples of that thinking, and it says little about religions other than Christianity. But it's the most thoughtful attempt so far to take both religion and business seriously as partners.

—John T. Landry

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