Contents

1	Intro	oduction	- 1
2	Stra	tegic Design	3
	2.1	An Agenda	4
	2.2	A Compass in a Tornado	5
	2.3	A Filter for Selecting Development Paths	6
	2.4	A Unifying Cement	7
3	Cust	omers	9
	3.1	The Importance of Customers	
	3.2	The Principle of Understanding	
	3.3	Needs and Wants	
	3.4	The Principle of Focalization	12
	3.5	The Choice of Customers	13
	3.6	The Value Equation	14
	3.7	Benefit, the Central Core of Value	15
	3.8	Loyalty	16
	3.9	Communicate with the Customer	17
4	Envi	ronment and Competitors	19
	4.1	Political Context	
	4.2	Economic Environment	
	4.3	Socio-cultural Environment	20
	4.4	Technology	
	4.5	Ecological Constraints	
	4.6	The Ethical Imperative	
	4.7	The Principle of Permanent Monitoring	
	4.8	Competitors	
	4.9	Identification of Competitors	
	4.10	The Actions Against Competitors	

viii Contents

5	Capabilities	29
	5.1 Resources	29
	5.2 Skills	30
	5.3 Identifying Capabilities	31
	5.4 Utilization of Various Capabilities Available	31
	5.5 Resource Management	32
	5.6 Managing Skills	33
	5.7 The Principle of Alignment	33
	5.8 The Principle of Capabilities Rationing	34
	5.9 The Principle of Valorization	35
	5.10 The Principle of Constant Flexibility	36
	5.11 The Principle of Singularity	36
	5.12 Capabilities Development	37
	Capacinics Development	٠,
6	Structure	39
Ū	6.1 Functional Structure	40
	6.2 Divisional Structure	40
	6.3 Holding Company Structure	42
	6.4 Matrix Structure	42
	6.5 The International Organization: a non - issue	43
	6.6 Cross-Functional Teams	43
	0.0 Closs-i diletional Teams	13
7	Operations	45
	7.1 Autonomy in Decision Making	45
	7.2 The Principle of Efficient Simplicity	46
	7.3 Hierarchical Frugality	48
	7.4 Continuous Learning	48
	7.5 Outsourcing	49
	7.6 Accountable Control System	49
	7.6 Mecountable Control System	'
8	Innovation	51
		52
	8.2 Different Types of Organizational Change	-52
	71	52 53
	8.3 The Reasons Behind Technological Change	53
	8.3 The Reasons Behind Technological Change8.4 The Origin of Organizational Change	53 54
	 8.3 The Reasons Behind Technological Change 8.4 The Origin of Organizational Change 8.5 Preparing for Change 	53 54 54
	 8.3 The Reasons Behind Technological Change 8.4 The Origin of Organizational Change 8.5 Preparing for Change 8.6 Necessary Changes: Degree and Interest 	53 54 54 55
	 8.3 The Reasons Behind Technological Change 8.4 The Origin of Organizational Change 8.5 Preparing for Change 8.6 Necessary Changes: Degree and Interest 8.7 Change and Available Resources 	53 54 54 55 55
	 8.3 The Reasons Behind Technological Change 8.4 The Origin of Organizational Change 8.5 Preparing for Change 8.6 Necessary Changes: Degree and Interest 8.7 Change and Available Resources 8.8 Capabilities That Must Be Preserved 	53 54 54 55 55 56
	8.3 The Reasons Behind Technological Change 8.4 The Origin of Organizational Change 8.5 Preparing for Change 8.6 Necessary Changes: Degree and Interest 8.7 Change and Available Resources 8.8 Capabilities That Must Be Preserved 8.9 Timeframe for Change	53 54 54 55 55 56 56
	8.3 The Reasons Behind Technological Change 8.4 The Origin of Organizational Change 8.5 Preparing for Change 8.6 Necessary Changes: Degree and Interest 8.7 Change and Available Resources 8.8 Capabilities That Must Be Preserved 8.9 Timeframe for Change 8.10 Employees' Motivation to Change	53 54 54 55 55 56 56 56
	8.3 The Reasons Behind Technological Change 8.4 The Origin of Organizational Change 8.5 Preparing for Change 8.6 Necessary Changes: Degree and Interest 8.7 Change and Available Resources 8.8 Capabilities That Must Be Preserved 8.9 Timeframe for Change	53 54 54 55 55 56 56 56 57

Contents ix

^	Maria de Characa	~1	
9	Maneuvering Change	61	
	9.1 Implementation of Technological Changes	61	
	9.2 Development of Technical Innovation	63	
	9.3 Implementation of Organizational Changes	64	
	9.4 The Principle of Systematic Experimentation	64	
	9.5 Controlling the Operational Timetable	65	
	9.6 The Appropriate Maneuvering Style	66	
	9.7 A Clear, Appropriate and Reassuring Communication	67	
	9.8 Political Agility	68	
	9.9 Tenacity in Fulfilling the Change	68	
	9.10 Responsible Conscience	69	
	9.11 Change in Times of Crisis	69	
10	Growth	73	
	10.1 The Causes of Growth	73	
	10.2 Increasing the Number of Clients	74	
	10.3 Increasing Attractiveness	74	
	10.4 Exploiting an Excess of Resources	75	
	10.5 Achieving the Economies of Scale	75	
	10.6 Dealing with Risks Within the Environment	76	
	10.7 Responding to Shareholders' and Managers' Desires	76	
	10.8 Specializing in the Current Market	77	
	10.9 Diversification of Solutions	78	
	10.10 Diversification of Customers	78	
	10.11 Total Diversification	79	
	10.12 Growth Management	80	
	10.13 The Limits to Growth	81	
	10.13 THE Limits to Glowth	01	
11	Execution and Humility		
	11.1 Quality of Operations	83	
	11.2 From Success to Failure	84	
	11.3 Avoid Being Blinded by Present Triumphs	85	
	11.4 Accepting Decision Sharing	85	
	11.5 Organizing the Succession	86	
12	Conclusion	20	