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The race is on...
and today's business climate
is more competitive than ever.

Are you poised to get
to the finish line first?

1



EXCLUSIVE INVITATION/RSVP

2

You're facing a difficult business climate:

- Demand for investment returns
- Pressure to hit your numbers
- Prevailing geopolitical uncertainty
- Expanded regulatory oversight

Are you on the right strategic path? Can you stay the course?

How do you balance short-term results with long-term imperatives?

Are you missing key indicators?

**There's only one way to find out...
Accept the next issue FREE, without risk or obligation.**

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Offer!



2

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3

You've heard the line, "You don't know what you don't know." The very thing you're missing could come back to bite you. There's one magazine that's ALL about taking off blinders - **strategy+business**.

Now, get 4 issues for the amazingly low price of \$38.00 AND a FREE Preview Issue AND A Free Gift.

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Dear Executive:

strategy+business annually chronicles turnover in the chief executive ranks worldwide. In 2004, some 355 chiefs of the world's largest companies (14%) left office. Of that number, 111 (nearly a third) were forced out, mainly for performance-related reasons.

"This is the highest level of forced resignations we have seen. It represents a 300% increase over 1995." s+b Summer, 2005

Recently, the *New York Times* referred to the stats cited in this article as STAGGERING. **s+b** authors say this turnover is "a natural response to today's difficult corporate environment." The very same conditions and uncertainties you're operating in. Could you get blindsided, as they did?

There's one surefire way to prevent that.

Read **strategy+business**, the publication key decision-makers

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(continued)

rely on to make the right decisions, hit their numbers, and avoid pitfalls.

How does **s+b** help top execs accomplish all that in a business climate where the conventional wisdom doesn't apply? **s+b** teases out which *unconventional* wisdom is worth paying attention to...and why.

6

Drawing on the insights of one of the world's highest-ranked consulting firms, Booz Allen Hamilton, and today's foremost writers, researchers and thought leaders, **s+b** zeroes in on the executive suite, dispassionately dissecting the real choices corporate leaders are making today. The bets they're taking. The blind spots that lead them astray. The factors that impact their ability to stay the course.

strategy+business drills through the layers to separate fact from fiction...get at the real story...find the truth. Then we distill that information into strategic intelligence. Relevant content that's immediately actionable. So you can sidestep the traps and pitfalls.

For example, revisiting the **strategy+business** article on ousted CEOs, there are some implications you can glean. In a nutshell, CEOs must better align short-term imperatives with long-term performance, and pay more attention to internal company development of future generations of corporate leaders. While this is easier said than done, **s+b** takes you through the specifics and shows you the way...

strategy+business is replete with ideas you can take to the bank:

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- **Your organization's DNA is not set in stone.** Caterpillar became a highly successful vehicle manufacturing company while U.S. passenger car companies are floundering. How? By focusing on 4 key organizational building blocks, making sweeping changes, and staying the course.
- **Companies can recreate themselves.** Skoda – a former Iron Curtain car company that's taking over the category, leapfrogging past its competitors in its quest to become the "Ikea of carmaking."
- **New competitors can come out of nowhere and change the rules of the game.** By assembling assets in new ways, intruders like Dell, Charles Schwab, and Wal-Mart deliver

familiar goods and services at massively lower costs and create exceptional shareholder value.

- **Most firms waste their ad budgets by overspending.**
For any brand, in any given market, there is an optimal investment. It's not about creative quality, media mix or outspending the competition. Key into the right benchmarks and you can dramatically improve your ROI.
- **Corporate Values can be the key to making money,** according to a Booz Allen Hamilton/Aspen Institute survey...but only if a company takes its values seriously and focuses on actions rather than words.
- **There is life after retirement** for those wishing to jump into another career. Follow this exec's 3 rules for making the switch. And start prepping for your second career before you leave your first.
- **Government-controlled monopoly on healthcare is still avoidable** if we can put consumers in the driver's seat, creating 401Ks for health.

Whether you're the CEO of a large corporation looking to make authoritative, high quality decisions, a top decision maker-to-be buffing up your strategy mindset, a leader of a smaller firm trying to pierce the curtain surrounding CEOs or a student of business, **s+b** briefs you on the thinking and perception that underlies the winning bets that shape the future of business.

SEEING WHAT OTHERS CAN'T

Discover how the world's most advanced chief financial officers are becoming stewards of their companies' transformation processes. (They're definitely NOT your father's CFO).

Delve into case studies, - an **s+b** favorite - like how Home Depot's CEO (former GE exec Robert L. Nardelli) with no retail experience is attracting an engaged workforce...happy customers...and significant revenue growth by applying the principles of Six Sigma.

You'll find **s+b** to be an eye-opening exploration of who's breaking new ground. And HOW they came out ahead of the pack. Plus, a bevy of challenging ideas on effecting change.

STATUS NON QUO

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There's no other magazine quite like **strategy+business**. It's for executives who are willing to look at things differently...and willing to make audacious decisions (perhaps even upending their entire enterprise).

For those of you who are part of this rarified group, **s+b** might just be for you. There's one easy way to find out. Ask for your **FREE issue** and decide for yourself if **s+b** is as unique and leading-edge as we say. Plus, get a **FREE GIFT** with your request: An illuminating, instructive, in-depth Case Study featuring Home Depot.

If you find this foray into ideas that challenge orthodoxy awakens a desire for more, go ahead and put **strategy+business** on your short list of must-read pubs. Four quarterly issues are a mere \$38.00. Otherwise, return the invoice marked "no thanks." The **FREE issue** and **FREE GIFT** are yours to keep.

Quick. Easy. No strings. We expect demand for this information-packed issue to be strong, so please let us hear from you right away.

Sincerely,



Will Lippincott
Publisher

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P.S. Only a limited number of copies will be printed. Once supplies are exhausted, no more requests can be honored. To avoid disappointment, mail the Reservation Card today.

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What's the Big Idea?



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Dear Business Leader,

If you're like most corporate executives, you're looking for an edge. That BIG idea that will impress those you report to... send your career skyrocketing... and secure your tenure on top.

strategy+business, the most trusted name in business, is filled with strategic ideas that will give you that edge:

- Big picture perspective you won't find anywhere else
- Insights gleaned from Booz Allen Hamilton on operations strategy, supply chain management, business processes, and more
- Case studies, interviews, and special reports with real-world examples

strategy+business is all substance – no fluff. We pull in the best and the brightest to bring you articles that are easy to read, absorb, and apply.

Remember, ideas are your most potent competitive weapons. So, plug into the latest thinking that bridges the gap between theory and practice with **s+b**. You'll get relevant content that's immediately actionable. Content that delivers solutions. Content that inspires the BIG ideas that boost careers.

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You get the idea. Order your subscription to strategy+business today.

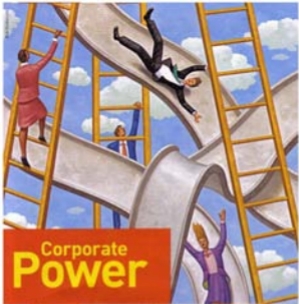
Cordially,



Art Kleiner
Editor-in-Chief

P.S. Hurry! This offer expires soon and I wouldn't want you to miss out on upcoming issues packed with transformative ideas.

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Corporate
Power



Getting it...

To increase your percentage of winning bets, you must increase the quality of your information

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Seeing what others can't is key to placing winning bets – making authoritative decisions that shape the future of business. **strategy+business** dispassionately and candidly examines the real choices that executives are making, the bets they're taking. What's working... what isn't... and why:

Major articles and in-depth reporting appear in **features**. Stories on Strategy+Competition – *Are You Modular or Integral? Be Sure Your Supply Chain Knows*. In each issue you'll find an original business case study, an **s+b** fave – *Flextronics: Staying Real in a Virtual World*.

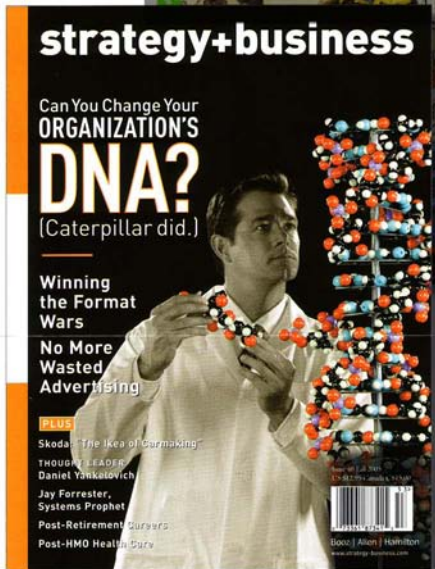
Other features include Transformations, Business Models, The Creative Mind, Roundtable and more. Plus, our invaluable roundup on the Best Business Books of the Year.

Our **comment** section contains Breakthrough Thoughts... Briefs... Culture & Change and First Person (a new column where senior executives reveal something they have learned or understood).

You get the latest thinking, insights and innovative commentary about ideas that are just beginning to register on the corporate radar. Plus, pragmatic, prescient and clear intelligence on global business. Such as *Beware the Product Death Cycle, Correcting a Culture that Breeds Mistakes, and The Right Mix for a Pricing Fix*.

conversation is anchored by our Thought Leader interview, a dialogue with a CEO, professor or scholar. Plus trenchant book reports, humor and more. Find our Knowledge Review such as *Euroclerosis Revisited* (why the productivity boom benefits the U.S. more than Europe). And Recent Research – On Emerging-world corporate "tigers." It's all in **strategy+business**, winner of Folio's prestigious Editorial Excellence Award.

next page...



Fuel for top corporate decision-makers The strategy underpinning corporate power

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SUPERMODELS TO THE RESCUE

by Mark Buchanan

Two years ago, the European packaging company SCA faced a dilemma when one of its largest and most dependable customers asked to purchase an additional 20 million boxes each year. Unable to increase its manufacturing capacity in the required time, SCA had to consider cutting back on supply to other customers. The trouble was, the high-volume customer was a tough price negotiator, and SCA earned a relatively small profit on each box. To meet its demand, SCA would lose business from other customers who seemed more profitable on a per-box basis.

How could the packaging company work through the trade-offs?

John Williams, managing director of SCA Packaging Ltd. in the U.K., found his answer through complexity science. Working with Eurobus, a European

consulting firm with links to the famed Santa Fe Institute and top-heavy with physicists and mathematicians, the company built a detailed computer model of the various cutting, printing, and gluing operations involved in producing SCA's customer-made corrugated boxes. With this, they combined models of the mechanisms for managing demand and capacity for organizing warehouse usage and avoiding "bottled deliveries," and for dealing with unexpected processing line failures. The result was a virtual model of SCA's operations in which the company could run "experiments" and explore the likely consequences of different decisions.

The model quickly turned up a surprise. A subset of SCA's large customers — in fact, its largest customer — paid very high prices for its boxes. But the irregularity of its ordering behavior created a hidden cost, as it forced

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The Prophet of Unintended Consequences:

Jay Forrester's research consistently shows the problems of most companies were not brought on by competitors or market trends but were the direct result of their own policies.

Making Acquisitions Work: It's not the courtship that's important, but continuing the relationship called marriage. In acquisitions, what follows courtship too often looks more like divorce. It doesn't have to.

Leaning Toward Utopia: Toyota's Production System has revolutionized the industry, and is poised to transform the world.

Thought Leader: Daniel Yankelovich America's most eminent pollster says the current epidemic of business scandals must be healed through a shift in norms, not laws.

Climbing to Greatness: Management guru Jim Collins put 1,435 good companies through a rigorous performance analysis and discovered only 11 became great. Find out why.

Top Down Disruption: Look out for the underdog-but also beware the leader of the pack.

Best Business Books: Our annual survey encompasses a thought-provoking cross section of the best thinking about business today.

Losing it...

(NOT applicable to readers of s+b)



Chris Calk

Change the quality of your decisions
and you change your
future. And your
company's.

Everything hinges on your decision-making ability

Keeping it...



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teed or your money back.

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Home Depot CEO has Employees and Analysts Applauding

Yours Free!

Home Depot opens a new store every 48 hours and receives more than 10 million job applications every year. Each month, the volume of activity rises. From 2000–2004, CEO Robert L. Nardelli's first four years on the job, Home Depot revenues grew by \$19 billion, or 42%, and earnings per share increased by 71%.

Wondering how he does it?

Nardelli has paid particular attention to the human side of the transformation... while managing by metrics, introducing Six Sigma to push employees in every job to strive for perfection.

Get the full story in this 16-page booklet, your FREE Gift from strategy+business.



**Winning
Hearts and
Minds at
Home Depot**

Bob Nardelli's pursuit of perfection,
3 billion human interactions per year.

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Copy & Design Comments: Issue #34

Copy Comments:

#1. **The Secret of Inflaming Your Reader's Pressing Worry:** By keying in on your prospects greatest worry, you speak to the reader's core emotion. In this case, the emotion is anxiety...or FEAR.

#2. **Secret of Specificity:** Here the writer is providing the reader with a multitude of specific problems that the product will solve. The more specific you are with your copy, the better the response. Prospects do not respond to vagueness.

#3 and #4: Here again, the writer is using the **Secret of Inflaming Your Reader's Pressing Worry**. In this case...it is the reader's insecurity of missing out on important information or inside knowledge.

#5: **Secret of the 4Ps:** The writer is making use of the 4Ps, this one being the **promise**. Notice how right on the first page, the promise is made. Now the reader knows what this product will do for him.

#6: **Secret of Credibility:** This is an important element of all copy. Prospects need to know that the person who is writing them is credible and trustworthy. Remember, buying through the mail is a "blind experience" for the reader. He can't see, touch or talk with the seller. That's why credibility is important.

#7: **Secret of the Golden Thread:** This entire letter makes constant use of the Golden Thread: where the reader's needs, wants and desires are consistently highlighted through the letter. The Golden Thread is like the sub-conscious part of your mind.

#8: **Secret of Exclusivity:** Here the writer teases the reader – letting him know that not many people are part of this special group. Everyone wants to feel as if they belong to an exclusive group.

#9: **Secret of Urgency:** This secret is about giving the reader a reason to act now. You want the reader to take action right away. The longer they let it sit, the less chance they will act.

#10: **Secret of Curiosity:** The teaser copy on the lift letter is filled with curiosity. The prospect WANTS to know what's going on.

#11: **Secret of Common Bond:** The lead in this lift letter makes the reader feel that the writer understands his concerns. By stating what it is your reader wants, you form a bond with him.

#12: **Secret of the Bar Stool Test:** This is one of the hardest secrets to conquer, but it's one that impacts response rate. You are writing to the reader as if you were speaking to them in person. You create a conversational tone in your copy.

#13: **Secret of Ultra Specific:** Here again, the writer is using specific, precise examples. There is no room for imagination or misinterpretation. And the more specific, the better the response rate.

#14: **Secret of Drop-dead Dates:** This builds urgency. You give the reader a reason to act now and a time line in which to act. They have to make their decision quickly.

#15: **Secret of Benefit Statement:** All reply forms should reinforce a benefit. It's often at this moment that the reader will make their decision to buy. Stating a benefit provides that positive push to do so.

Design Comments:

#1: The graphic artist is using an image that conveys the same message as the teaser copy. The copy and the graphic are working together to reinforce the point.

#2: Right at the top of the letter, the artist SHOWS the reader what the product looks like. This builds credibility – the reader can SEE what it is he'll be receiving.

#3: Important copy points are made to stand out by setting them off in bullet style. The first few words of each bullet are set in bold type. The bold type and bullet offset stand out to the reader.

#4: Notice how the artist uses large typeface? Since this package has many components, each fighting for attention, the graphics become visual cues. The reader's eye is drawn to that element.

#5: Here again, the graphics convey an emotion. The puzzle represents being uncertain, trying to solve problems. The chutes and ladders represent the insecurity of losing position or power and "climbing" the corporate ladder.

#6: Using a cover shot of the magazine reinforces the desire for the product. It's a "show-n-tell" moment. The reader sees what they'll receive.

#7: Again graphics are used to convey emotions of the prospect.