Breakout Strategy: Meeting the challenge of double-digit growth
Sydney Finkelstein, Charles Harvey and Thomas Lawton
McGraw-Hill
$50

This book addresses the nirvana of strategy, and of organisational life: how does an organisation grow rapidly and yet still manage to maintain high performance over the long term? Having just begun a major research project on this topic, I approached the book with a degree of interest. It is based on 100 international case studies of varying depth, although unfortunately no Australian organisations are included. The book has three significant contributions. First, there are four types of companies that succeed in achieving nirvana: start-ups (called taking by storm); revitalised, mature companies (called laggards-to-leaders); geographic growers (called expanding horizons); and restructuring transformers (called shifting shape). Second, these four types operate in two different types of markets – emerging markets and established markets. Achieving, maintaining or rediscovering nirvana requires different applications of similar concepts. It’s not very sensible trying to follow Google if you are Southwest Airlines, Michelin or Burberry. Third, all organisations need to work on five strategy concepts to succeed: pursuing and developing a realistic and encompassing vision; developing a value proposition for customers aligned to the vision; developing an internal business model to deliver that value proposition; developing the change management and business transformation skills necessary to make the business model work; and having leadership to drive the whole, aligned process.

The key insights here are around the value proposition and business model concepts, important aspects of strategy that normally receive little or no attention. Practical approaches and tools are demonstrated to show how an organisation can develop these. The role of speed, learning (and unlearning), being open to ideas, flexibility and balancing the technological and social systems during growth are pushed throughout the book.

Importantly, too, Breakout Strategy is not just about successes. Examples of failures are given. It is often these examples from which we have most to learn.

Having said that, the book has its problems. There are no figures to demonstrate that the “success” cases are indeed successful, and over what time period. There are no clear examples of their approach to developing vision. The successes are mostly ascribed to the genius of new, individual superstars CEOs, whereas most recent research has discounted this approach.

While arguing that it is execution that is important, the book spends most of its time on developing the strategy, and the alignment of the strategy, vision, value proposition, business model, with little real attention given to a true implementation process.

Despite these issues, the key contributions are significant and make this book worth reading for those pursuing high performance. The frameworks for thinking and key concepts will repay application in practice.

Graham Hubbard