

Book review

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Jay Barney and Trish Gorman Clifford, *What I Didn't Learn in Business School: How Strategy Works in the Real World*. October 12, 2010.

A simple problem is not simple until it gets solved. A novel book *What I Didn't Learn in Business School* written by Jay B. Barney, professor of management at the Ohio State University's Fisher College of Business, and Trish Gorman Clifford, professor at Columbia University's School of International and Public Affairs explored and discussed about challenges faced by organization in strategy formulation. They argue that strategy is not like cracking a case in business schools. The authors of the book point out that business students are not taught to address problems related to complexity of the real world, organizational dynamics, and human nature. Through the story, the book highlights the application of knowledge into the real world and strategy making process in business houses. The book stresses that strategy formulation process will have a negative impact without understanding external environment and product portfolio of a organization. The book, published in 2010 by Harvard Business Publishing, provokes core strategic topics in each chapter with suggested material for further reading. At the end of the chapter, questions are raised for further discussion.

Justin Campbell, the main character, is a recent MBA graduate, who gets recruited as a systems engineer for strategy consulting firm. His team had 10 days to suggest appropriate strategies for HGS Company, in the field of Plasticwear technology. HGS is a chemical firm and wanted to introduce plasticwear, a cutting edge technology which will probably provide HGS with sustainable core competences. The team used state-of-the-art strategy tools to suggest appropriate strategies for HGS. Advantages and disadvantages of a possible entering strategy in a new market are discussed. Internal and external analysis, and the consumer view point are conducted and evaluated. NPV, Porter's five forces model, VRIO

model, and various strategic concepts which all are surrounded with limited information and effecting by organization dynamics are evaluated.

The book explores core topics such as strategic management, accounting, finance and marketing management in various chapters. Meeting with the board members of HGS makes Justin realize that learning from business school is not working and it is not straightforward like he learned in business school. Justin analyzed that organizational politics, personal interests, and interpretation heavily affect strategy formulation process. The book thus highlights typical problems of an organization. For example, personal growth rather than organization growth are given priorities in a decision. In such decisions, they can use strategic tools for their personal interests. Carrying out even an excellent analysis in another industry will always lead failing strategy. The authors in each chapter explore new ways to move forward and suggests limitation of strategic tools in the business world. It helps Justin's team to explore alternative opportunity and learning environment in a changing business environment. Series of interviews are conducted to the top level management. CFO is interviewed who generate 7 NPV analysis, with assumptions of optimistic to pessimistic future cash flows. VP of another department created Porter's five forces model from his benefit standpoint. VP of research department explores possibilities of using new technology without being sure about economic consequences. VP in packaging department wants to build technology in own department only to increase his revenue. Justin's team explores each concept from neutral points and suggests what is best for the HGS Company. The book highlights risks associated with department managers where each manager has their own interest in order to execute or not the projects. Self-motivating employees help to achieve goals,

but goal building involves lots of imagination. With no much substance demotivates all teams and eventually kills creativity.

Teamwork, responsibility division and collaboration, and their values are highlighted as they pave way to success. Constructive feedback, information sharing, open communication, and professional growth generates new ideas and new ways to move forward. Individual team members with their skills, talent and interests, and different perspectives toward a shared vision play important role in analyzing situations. Though consumer view point is stronger than organization viewpoint, it may not work for long time for an organization. Open mind, developing own thought and inter-departmental information sharing are the appropriate ways to understand the circumstances. Thinking about positive and getting energy to do further after hearing destroying feedback from managers are way

to succeed. The book highlights the importance of constructive feedback and asking the right question at the right time to generate valuable information. Third party perspectives have a greater role to design strategy through unfolding all assumptions and available information from the company itself, which has more knowledge about its products, consumers and employees. It concludes that strategy is not made in vacuums, and theory and practice should be blended with organization's vision and mission for a success.

What I Didn't Learn in Business School: How Strategy Works in the Real World is an excellent book to read and it gives insight about how strategy is formulated and executed in the real business world. It will be a good read for business students, and helpful to instructor to do cases in a class. It will be also helpful to business houses to understand how strategy formulation process is affected by organization hierarchy and setting.