Strategy Maps: Converting Intangible Assets into Tangible Outcomes
By Robert S. Kaplan and
David P. Norton
Harvard Business School Press, 2004
324 pages, $35.00

Strategy Maps is the third in the "balanced scorecard" series of books by the originators of this now well-known concept of performance measurement. Robert S. Kaplan, a professor at the Harvard Business School, and David P. Norton, a consultant, write for managers who are leading or implementing strategic change, and here they introduce and develop the "strategy map" as a tool to bridge the gap between strategy formulation and execution. This is a consultant's casebook, based upon hundreds of examples from both private and public sectors, and is a much finer-grained representation of the process than were their previous books.

The authors specify four generic strategic positions a firm can choose: operational excellence, customer intimacy, product leadership, and system lock-in (when the firm creates an industry standard that all must follow). In their previous book *The Strategy-Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment* (Harvard Business School Press, 2000), the authors went to some lengths to emphasize that although the description of strategy could be scientific, its formulation was an art. The reader could easily conclude that strategy formulation is a onetime event at the top of the organization, whereas its implementation by those below will continue indefinitely.

But in a world of disruptive, tectonic change, when the earth is shifting beneath our feet, where does that leave the managers and workers who must implement change — the users of the strategy maps? The metaphor, together with the complexity of the diagrams in the book, reminds readers that the scale of the map they choose is crucial to effective navigation: Too little detail leaves you lost, but fine-grained detail can leave you paralyzed. The people on the ground must have some creative latitude, because there will come a time when the features on a map are unrecognizable in the real world. At that point, everybody, regardless of his or her position in the organization, will need an artist's intuitive sense of direction if the corporation is to navigate successfully.

Fools Rush In: Steve Case, Jerry Levin, and the Unmaking of AOL Time Warner
By Nina Munk
HarperBusiness, 2004
68 pages, $26.95

Approximately 70 percent of business mergers fail, with the only beneficiaries being the investment bankers, lawyers, other advisors on the deal, and — sometimes — the shareholders of the organization being sold. The reasons mergers fail are legion, but the most prevalent is the clash of corporate cultures.

Business journalist Nina Munk has written a compelling story of one of the largest such fiascos, the acquisition of Time Warner by America Online. In *Fools Rush In,* Ms. Munk documents the colossal collision of these companies, calling on extensive interviews with most of the personalities involved in the deal. The story is factual but reads like fiction, giving readers the dramatic sense that they are present at the scene.

The individual corporations were hardly homogeneous. Time Warner had been formed in 1990, when the patricians of Time Inc. had tried to transform their stodgy Wall Street image by acquiring high-flying Warner Communications, fending off a hostile takeover offer from Gulf & Western in the process. The resulting corporate culture was one of feuding fiefdoms. Jerry Levin, who would later agree to sell Time Warner to AOL, emerged out of the chaos as an accomplished corporate infighter, and set about ensuring his own rise to the top. AOL's Steve Case, on the other hand, was a serial entrepreneur, focused on a messianic vision of his young company: supplying dumbed-down Internet services to the masses. As AOL had grown, however, he had surrounded himself with managers who did not share his vision. Many were short-term operators, and some seem simply to have been hustlers who wanted to get rich quick.

As the Internet bubble continued to expand at the end of 1999, Steve Case, with exquisite timing, parlayed the grossly overvalued price of AOL stock into the acquisition of Time Warner. Although the stock price deflated somewhat before the deal was signed, AOL would end up with 55 percent of the joint company. The resulting combination of operations shows why a "merger of equals" is seldom, if ever, seen in such deals: For every job there are at least two candidates, and disputes are usually resolved on the basis of "who bought whom." In the testosterone-fueled struggles that followed, as managers tried to meet the fantastical forecasts they had concocted for the joint operation, $200 billion in shareholder value was vaporized — vastly abetted, of course, by the collapse of the dot-com and telecom sectors of the economy. The only shareholders who came out ahead were those who sold their stock early.

The Future of Work: How the New Order of Business Will Shape Your Organization, Your Management Style, and Your Life
By Thomas W. Malone
Harvard Business School Press, 2004
304 pages, $29.95

The Future of Work is an ambitious book whose title promises more than it delivers. Thomas W. Malone is a professor of management at MIT's Sloan School of Management and an entrepreneur in the software industry. His expertise is in understanding and designing organizational processes using software concepts such as object-oriented programming and managing systems dependencies through the use of coordination theory.

In this book, which seems to be pitched at business school students rather than practitioners, he lifts this specialized framework out of its narrow IT context and applies it to both societies and corporations. The primary insight — an "amazing pattern," in his view — is that over time we have moved from living in small, independent hunting bands to centralized kingdoms and that we are now moving back into decentralized democracies. This is hardly new; it was the central thesis of Alvin Toffler's 1980 book, *The Third Wave.* The framework seems to put far too much stress both on formal decision making as the central organizational dynamic and on the reduction in communication costs as the prime cause of this change. No evidence is shown, however, that the high cost of communication has ever been a constraint on decentralization. In addition, the concepts of decentralization and centralization may be a good deal more complex than they seem. Organizations that appear highly centralized to people at the top often seem quite decentralized to those below, and vice versa.

The central message is that managers must move from a philosophy of command-and-control to one of coordinate-and-cultivate. Whether they make this move is largely a matter of choice; there is no technical imperative to do so. Professor Malone is at his best when he is discussing the ways in which technology can facilitate such moves — for example, by setting up internal markets for manufacturing capacity. But the suspicion lingers that the balance between centralized and decentralized management may in fact simply be a part of adaptation as corporations organize in one way to take advantage of one set of circumstances and then reorganize in another way when the contexts change. +