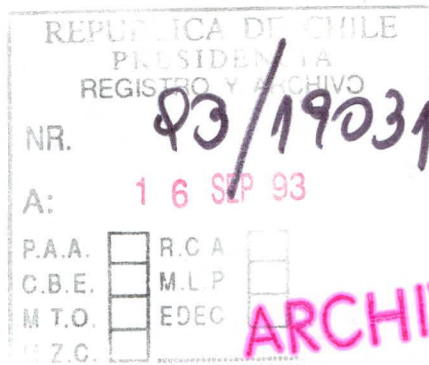




Patricio Aylwin Azocar
President
Office of The President
Palacio de La Muneda
Santiago
Chile,



September 1993

We have reserved a free issue of
Harvard Business Review in your name.
May we send it to you?

Dear Mr. Azocar,

Your career isn't about money, is it?

I didn't think so. It's about something deeper.

Something so central to your core, to what makes you tick, that you can't imagine living without it.

It's about leadership. Having your say. Making things happen. Putting your stamp on the future.

For over 70 years, one publication has stood out from the crowd as the indispensable resource for business achievers like you. The same publication judged most influential magazine in America in the 1992 Erdos & Morgan/MPC survey of 1,700 opinion leaders.

The Harvard Business Review.

Only an elite corp of top managers get a chance to subscribe to the Harvard Business Review. With this letter, I am pleased to extend the invitation to you, along with a valuable free gift.

Past articles have included:

- Why decision-making power belongs at the lowest possible point in your organization.
- The strategies that Wal-Mart, Canon, The Limited and Ikea use to outflank competitors.
- The real boundaries of the 'boundary-less' organization.
- How Nike designs emotion into its shoes.
- Why you should watch what Europe's top managers are doing, not what its politicians are saying.

Harvard Business Review is unique. It comes to you from Harvard Business School Publishing, an arm of the world's premiere business research and management training institution. Yet it's not a view from the ivory tower. It's a view from the boardroom, the corner office, the production line. The real world of business.

HBR is international. Hands-on. Research-orientated. It's dedicated to honing your leadership skills. It helps you motivate people

(Over please)

S145

YES, I WANT TO SAMPLE HARVARD BUSINESS REVIEW — FREE!

Please send my free copy and enter a provisional subscription in my name. Also send me "Business Classics: Fifteen Key Concepts for Managerial Success" as my gift just for taking a look at HBR. There is no risk.

If I like HBR, I'll pay the professional rate of just \$145 for 5 more issues (6 in all). Otherwise, I'll return your bill marked "cancel" when it comes, pay nothing, and keep my free sample copy and free gift.

INVITATION TO:

D1 1478641

Patricio Aylwin Azocar
President
Office of The President
Palacio de La Muneda
Santiago
Chile,

Fold here and mail

to give their best. It gives you the tools to map company strategies. Set agendas. Shape management practice. Offer solid, informed advice. Stimulate innovation.

If you haven't seen HBR lately, you owe yourself a look.

HBR prepares you to lead people. How to overcome resistance to and understand change. The motives that drive people's work. How to manage consultants. How to recognize the difference between 'leaders' and 'managers.'

Sharpens your judgement. How to find out what your company really looks like to your customers. How 'make-or-buy' decisions can revitalize your organization. Why the traditional organizational chart describes a world that no longer exists.

Presents tips and tactics you don't already know. Techniques for controlling transaction pricing. Management principles that make techno-fusion work. How to rationalize and integrate factories globally. Four principles of capabilities-based competition.

Gives you global vision. How international companies can exploit the cartels and Keiretsu that control Japanese markets. Singapore's nation-corporation. How management principles that account for the dominance of German midsize companies in global markets.

Plus... First-person narratives to put you in other people's shoes... Interviews with corporate movers and shakers... Key case studies... Policy breaks... International trends... And more.

From marketing to manufacturing, computers to communications, managing stress to managing your boss, HBR furthers your understanding. Sharpens your intuition. Fine-tunes your judgement.

Trial Subscription Free Issue Free Gift

To enter your trial subscription, return the order card today. We will rush you your first issue of the Harvard Business Review along with a copy of "Business Classics: Fifteen Key Concepts for Managerial Success." This 182 page collection contains seminal articles on concepts as diverse as Marketing Myopia and Managing for Business Effectiveness.

To continue to receive issues of the Harvard Business Review, honor our invoice. If the Harvard Business Review does not meet your expectations, simply write "Cancel" on our invoice and return it. You have no further obligation.

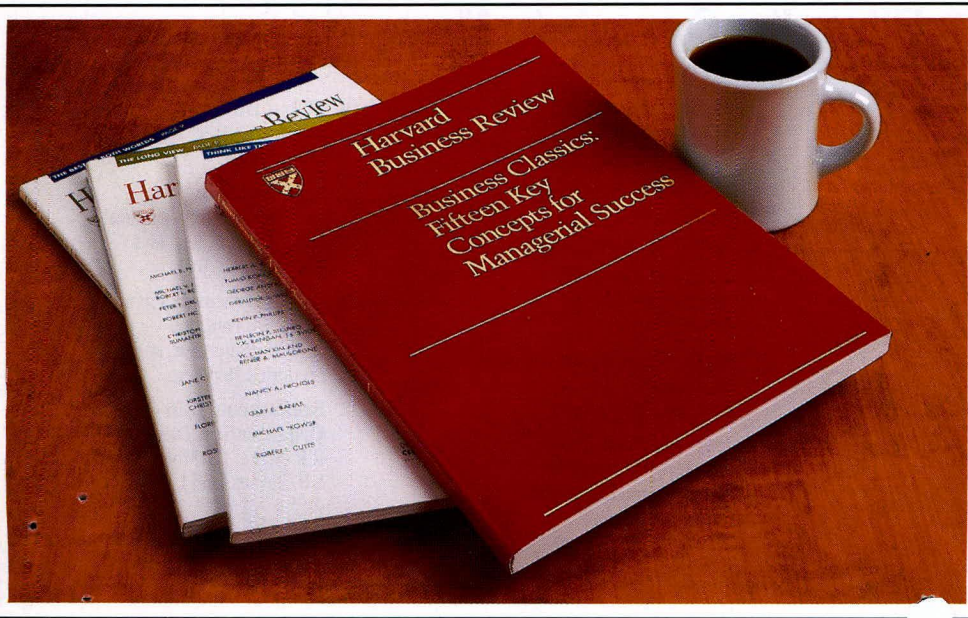
Sincerely,



Laurance Allen
Publisher

P.S. Remember, the risk is all ours, not yours. Send for your free issue. And get a free gift for trying HBR. Mail the card today!





FREE

Fifteen time-tested classics on business leaders and leadership. Yours with our compliments just for taking a look at Harvard Business Review.



BUSINESS CLASSICS: Fifteen Key Concepts for Managerial Success



Marketing Myopia
Theodore Levitt



One More Time: How Do You Motivate Employees
Frederick Herzberg



Skills of an Effective Administrator
Robert L. Katz



The Power to See Ourselves
Paul J. Brouwer



Barriers and Gateways to Communication
Carl R. Rogers and
F.J. Roethlisberger



What Makes a Good Salesman
David Mayer and
Herbert M. Greenberg



Managing for Business Effectiveness
Peter F. Drucker



Computer Data Bases: The Future is Now
Richard L. Nolan



Decision Trees for Decision Making
John F. Magee



Myth of the Well-Educated Manager
J. Sterling Livingston



How to Choose a Leadership Pattern
Robert Tannenbaum and
Warren H. Schmidt



“What Do You Mean I Can’t Write?”
John Fielden



Split Roles in Performance Appraisal
H.H. Meyer, E. Kay, and
J.R.P. French, Jr.



Job Enrichment Pays Off
William J. Paul, Jr.,
Keith B. Robertson, and
Frederick Herzberg



Breakthrough in Organization Development
R.R. Blake, J.S. Mouton,
L.B. Barnes, and L.E. Greiner

By air mail
Par avion

Please
affix
stamp
here

Harvard Business Review
Subscriptions Department
International Offices
Tower House
Sovereign Park
Market Harborough
LEICESTERSHIRE
GREAT BRITAIN
LE16 9EF

By tracking every step of the order management cycle, managers can improve service and see where the company meets the customer.

Staple Yourself to an Order



by Benson P. Shapiro, V. Kasturi Rangan, and John J. Sviokla

It's fashionable today to talk of becoming "customer oriented." Or to focus on that moment of truth when customers experience the actual transaction that determines whether or not they are completely satisfied. Or to empower frontline workers so they can delight the customer with their initiative and spunk.

None of this advice, however, focuses on the real way to harness the customer's interests in the operation of a company. The simple truth is that every

Benson P. Shapiro, V. Kasturi (Kash) Rangan, and John J. Sviokla are professors at the Harvard Business School. Shapiro is researching order management, pricing, and corporate coordination. Rangan's focus is distribution management. Sviokla has studied how companies can apply computer technology profitably to create customer satisfaction. Harvard Business School Press will publish two series of reprinted articles by Shapiro and Sviokla, Seeking Customers and Keeping Customers, in 1992.

customer's experience is determined by a company's *order management cycle (OMC)*: the ten steps, from planning to postsales service, that define a company's business system. The order management cycle offers managers the opportunity to look at their company through a customer's eyes, to see and experience transactions the way customers do. Managers who track each step of the OMC work their way through the company from the customer's angle rather than their own.

In the course of the order management cycle, every time the order is handled, the customer is handled. Every time the order sits unattended, the customer sits unattended. Paradoxically, the best way to be customer-oriented is to go beyond customers and products to the order, the moment of truth occurs at every step of the OMC, and every employee in the company who affects the OMC is the equivalent of a frontline worker. Ultimately, it is the order that con-



Harvard Business Review

Tower House,
Sovereign Park, Market Harborough,
Leicestershire, Great Britain, LE16 9EF

Published by Harvard Business
School Publishing

JL-BRO

DRAWINGS BY PAUL MEISEL

113

STRATEGIST.
MENTOR.
TALENT SCOUT.
ARCHITECT.
BUILDER.
COORDINATOR.
CHAMPION.

YOU
AND
Harvard Business Review

The New Era of Eurocapitalism



by Herbert A. Henzler

Capitalism was born in Europe. But for nearly half a century, its most vigorous offshoots have flourished in the United States and Japan, while our economic performance has been lackluster. Or so the familiar litany goes. Despite our venerable commercial achievements—and the great European thinkers who defined the very institutions of capitalism—the continent that dominated world events for thousands of years seems to have fallen irretrievably behind.

First came the devastation of World War II and the enormous work of reconstruction in Europe, work that only government had the resources to undertake. Then in later years, as the United States and Japan prospered, we grappled with stagnant economics, high unemployment and social welfare costs, and an exaggerated fear of invasion by American business interests. Now, with the drive toward 1992 and the single market gaining momentum, other difficulties have arisen: we are lagging badly in critical sectors like electronics; a new regulatory bureaucracy has emerged in Brussels; and

Herbert A. Henzler is chairman of McKinsey & Company's German office. He is also Professor of International Management at Munich University.

DRAWING BY MICHAEL REAGAN

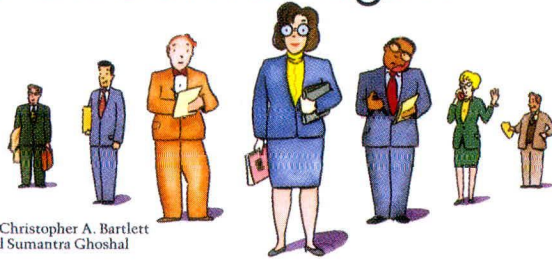
57

When your colleagues talk about your organization, they're really talking about you and your ability to lead.

That's why you should be reading Harvard Business Review.

The answer is a network of specialists, not a single individual.

What Is a Global Manager?



by Christopher A. Bartlett and Sumantra Ghoshal

In the early stages of its drive overseas, Corning Glass hired an American ex-ambassador to head up its international division. He had excellent contacts in the governments of many nations and could converse in several languages, but he was less familiar with Corning and its businesses. In contrast, IIT decided to set up a massive educational program to "globalize" all managers responsible for its worldwide telecommunications business—in essence, to replace its national specialists with global generalists.

Corning and IIT eventually realized they had taken wrong turns. Like many other companies organizing for worldwide operations in recent years, they found that an elite of jet-setters was often difficult to integrate into the corporate mainstream, nor did they need an international team of big-picture overseers to the exclusion of focused experts.

Success in today's international climate—a far cry from only a decade ago—demands highly specialized yet closely linked groups of global business managers, country or regional managers, and worldwide functional managers. This kind of organization characterizes a *transnational* rather than an *old-line* multinational, international, or global company. Transnationals integrate assets, resources,

and diverse people in operating units around the world. Through a flexible management process, in which business, country, and functional managers form a triad of different perspectives that balance one another, transnational companies can build three strategic capabilities:

- global-scale efficiency and competitiveness;
- national-level responsiveness and flexibility; and
- cross-market capacity to leverage learning on a worldwide basis.

While traditional organizations, structured along product or geographic lines, can hone one or another of these capabilities, they cannot cope with the challenge of all three at once. But an emerging group of transnational companies has begun to transform the classic hierarchy of headquarters-

Christopher A. Bartlett is a professor at the Harvard Business School and chairman of the International Senior Management Program there. Sumantra Ghoshal is a professor and Digital Equipment Research Fellow at INSEAD in Fontainebleau, France. Recent books by Bartlett and Ghoshal include Managing Across Borders: The Transnational Solution (Harvard Business School Press, 1989) and Transnational Management: Text, Cases, and Readings in Cross-Border Management (Irwin, 1992).

DRAWINGS BY GARDNER WELAND

124

HBR brings you management ideas and insights, research results and first-person accounts of real problems and solutions from the real world of business. Find out about new trends before the herd. Learn new tools for getting the most from people. Forge company strategies. Set agendas for thought and action. Shape management practice. Give solid advice and solutions. Stimulate innovation. Lead!

Reply Today and See For Yourself.

Rather than plundering the companies they now control, the corporate raiders of the 1980s are becoming models of management in the 1990s.

The "Barbarians" in the Boardroom



by George Anders

According to conventional wisdom, the corporate raiders and buy-out specialists who flourished in the 1980s were the antithesis of good managers. Their goals of realizing quick profits from the acquisition of major companies—frequently through rapid cost-cutting and the break-up of conglomerates—made them the bane of old-school corporate leaders. In the 1980s, we were told, the barbarians were at the gates. Long-tenured management, so it seemed, was being sacrificed on the altar of short-term profits. Then in the past two years came the abatement of takeover wars, and with the cessation of hostilities, a feeling of relief among top corporate managers who saw the more peaceful landscape as a return to business as usual.

But the "barbarians" have not retreated. Instead, many have simply moved into the boardroom. Many corporate acquirers of the 1980s now own large

stakes in major industrial companies, with every likelihood that they will remain big shareholders for an extended period. And rather than plundering the companies they now control, some of the previous era's takeover artists are assuming board seats and switching their emphasis to overseeing those companies. In this new role, the onetime raiders are defying expectations. Well in advance of General Motors's board's coup earlier this year, former corporate raiders, as directors, were taking similarly decisive and productive actions at the companies they now control. In a number of important respects, in fact, the "barbarians" are successfully implementing the agenda of the gurus of good management.

George Anders is senior special writer at the Wall Street Journal and author of Merchants of Debt: KKR and the Mortgaging of American Business (Basic Books, 1992).

DRAWING BY MICHAEL CRAWFORD

79

No Risk. Guaranteed.



Harvard Business Review