

Decentralization is changing the very shape of business.

As teens swap pirated music files over the Internet, the music industry is being forced to redefine its own methods of marketing and delivery. As craigslist offers free online advertising to anyone with an Internet connection, newspapers are losing classified advertising revenue. Decentralized organizations are starfish—if you cut off a leg, they grow a



new one, and the severed leg becomes a whole new starfish. That's the analogy at the heart of *The Starfish and the Spider* by Ori Brafman and Rod A. Beckstrom. Spiders are traditional hierarchical organizations that are easily destroyed when their heads are chopped off, and spiders are losing a lot of battles to starfish these days. The authors describe a remarkable variety of “starfish,” from Apache warriors to participants at Burning Man, and they use these examples to illustrate the resilience and flexibility of community-based organizations. How to fight them? One way is to decentralize key parts of your own organization, or at least turn it into a hybrid of structure and fluidity. Brafman and Beckstrom offer other solutions, but their overall message is clear: Enabled by the Internet, starfish are here to stay. Spiders must adapt or die. (Portfolio, \$24.95)

one of four great moral ideas, he says, which translate into a passion for the new, the excellent, the helpful, or the effective. He offers quick biographies of business leaders who operated under each of these models of purposefulness. Henry Ford, for instance, believed the Model T was helpful; it could improve life for ordinary people. IBM's Tom Watson was dedicated to innovation and new ideas. A company guided by purpose can thrive long after companies motivated only by profit have failed, Mourkogiannis believes—and can adapt its purpose to changing times to stay successful for decades. (Palgrave MacMillan, \$27.95)

Why is it easier for someone to

remember a patently false urban myth than details of his company's critically important financial strategy? Because most urban myths have the power of “stickiness”—that is, they're presented in a way that makes them memorable.

In *Made to Stick*, Chip Heath and Dan Heath offer the good news that anyone can learn how to craft an unforgettable idea. Sticky notions rely on simplicity, unexpectedness, concreteness, credibility, emotions,

and stories. The Heath brothers—Chip a professor at Stanford, and Dan a consultant at Duke—make their own message sticky by illustrating these six principles with engaging anecdotes and vivid examples. Everyone from teachers to marketers to the junior executive trying to

make an effective presentation in the boardroom can learn from this book. (Random House, \$24.95)

Business experts may argue that corporations should be guided by a strategic business plan, but Nikos Mourkogiannis believes the starting point of all great companies should be *Purpose*. “Aim high, serve others, do well,” he says. “All else is commentary.” Of course, the commentary is extensive. “Purpose” does not just mean an ethical outlook or a sense of corporate social responsibility, Mourkogiannis explains. It is

an essential and overarching set of beliefs that serve as a company's *raison d'être*. Business leaders with a sense of purpose generally are driven by

Must a successful entrepreneur be reckless,

ambitious, overconfident, and focused on launching a blockbuster business? Absolutely not, say Anthony L. Iaquinto and Stephen Spinelli Jr. in *Never Bet the Farm*. Both men are entrepreneurs with ties to academia—Spinelli is vice provost at Babson College, and Iaquinto was a visiting scholar at Arizona State—and both advocate caution



and good sense in any new business venture. While they clearly recognize the value of hard work and importance of good ideas, they believe that entrepreneurs fare best if they start small, avoid too much debt, invest in familiar products or technologies, resist rushing to market, and have a backup plan in case the venture fails. Not the usual rah-rah excitement to be found in a book about entrepreneurship, but their advice is eminently practical and designed to plant neophyte business



owners squarely on the road to success. (Jossey-Bass, \$19.95)

■ **Everyone knows that it's hard to do business** with someone you don't trust or work closely with a colleague whom you view with suspicion. But no one has quite explained why as

clearly as Stephen M.R. Covey does in *The Speed of Trust*. When trust is low, he says, the speed of business is low and the cost is high. When trust is high, speed is high and cost is

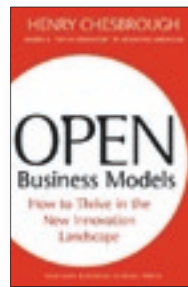
low. "The ability to establish, grow, extend, and restore trust with all stakeholders ... is *the* leadership competency of the new global economy," he writes. Covey explains how trust builds outward from the self, to relationships, to organizations, to the market, to society. Quoting extensively from admired business leaders and offering plenty of anecdotes, Covey gives examples of individuals and organizations that have cultivated trust, as well as those that have lost it. He also gives practical advice for how to nurture this valuable commodity. While the book has an almost inspirational feel, Covey isn't content to leave that impression: "Trust is hard," he says. "It's quantifiable." The book makes his points very plainly. (Free Press, \$26)

■ **Before 2002, 90 percent of the patents** that Procter & Gamble had filed were for items that were never developed and brought to market. All the money, time, and staff effort poured into developing those ideas were simply shelved. Similar patterns exist for pharmaceutical companies, tech companies—indeed, any company

that invests R&D in new products. Henry Chesbrough, a professor at Berkeley's Haas School, would like to change that. In *Open Business Models*, he offers the premise that "companies should make much greater use of external ideas and technologies in their own business, while letting their unused ideas be used by other companies." Procter & Gamble now licenses technologies from other companies around the world and also licenses its own technology to others, and a handful of other companies, huge and small, have followed suit. Chesbrough acknowledges and even outlines the risks a company can face by being too open with its intellectual property, but he argues forcefully that hoarding innovations can have a seriously detrimental effect on business and society and that sharing benefits everyone. (Harvard Business School Press, \$35)

■ **Software platforms drive everything from** cell phones to video games to eBay, yet the average consumer or businessperson gives them little thought. David S. Evans, Andrei Hagiu, and Richard Schmalensee describe them as *Invisible Engines* that are capable of restructuring the way we do business and transforming entire industries. After presenting a history of the computer revolution, the authors closely examine how

software platforms bring together a diverse set of users from marketers to consumers, which enables commerce to take place. The way the platforms



are designed, priced, and integrated into other systems and products ultimately determines whether new technology thrives or fails. Indeed, software platforms are key components in the "creative destruction" that technology is bringing to so many businesses today. Hagiu is an assistant professor at Harvard and Schmalensee dean and professor at MIT, so it's no surprise that the concepts are detailed and the language is rather technical. Nonetheless, the book offers a thoughtful viewpoint on this overlooked component of the digital revolution. (MIT Press, \$34.95)

Quick Look

While elite schools get most of the media attention, the state comprehensive university (SCU), sometimes called the "master's institution," quietly goes on educating thousands of diverse students every year. Although SCUs have key strengths—such as a focus on teaching excellence and easy access for all students—they battle image problems, and their faculty struggle with low status in the academic world. Bruce B. Henderson, a professor at Western Carolina University, tackles these issues head-on in *Teaching at the People's University*. He urges SCUs to emphasize their potential strengths—high-level student learning, regional engagement, and innovative teaching—and encourages faculties and institutions alike to redefine their notions of success. While even-handed and realistic, the book is also a paean to the hard-working, rarely recognized, state-funded school. (Anker Publishing, \$32.95) 