

# Bookshelf

**Most companies realize that different** customers prize different attributes—colors, sizes, payment plans—so they offer options. “However, when it comes to pricing, most companies behave as though their customers are identical by setting just one price for each product,” says Rafi Mohammed in *The 1% Windfall*. The title comes from the notion that if companies raise prices

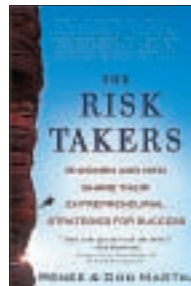
by just 1 percent, they can increase their operating profits by 11 percent, but Mohammed doesn’t advocate that readers merely jack up prices across the board. Instead, he meticulously explains a range of approaches to pricing.

For instance, in the value-based system, sellers consider what the competition charges for the “next best alternative” and set their own prices higher or lower, depending on how they compare. In versioning, sellers offer a core product at a basic price, then add or take away attributes and adjust prices accordingly. Other methods exist, but Mohammed’s point is clear: Setting prices simply by calculating costs and profit margins leaves money on the table. (Harper Business, \$27.99)

**Budding entrepreneurs will find both** inspiration and a set of practical strategies to help them realize their dreams in *The Risk Takers*. Renee and Don Martin tell the stories of 16 entrepreneurs who built flourishing businesses even though they started out with little cash and faced serious adversity along the way. Among those profiled are Kinko’s founder Paul Orfalen, Spanx inven-

tor Sara Blakely, and Build-A-Bear CEO Maxine Clark—as well as Don Martin himself, who built a small insurance company into a thriving business that eventually

sold for \$64.5 million. In the concluding chapter, the authors highlight the traits many of the entrepreneurs have in common: They trust their guts, buck conventional wisdom, target underserved niches, pounce on new trends, exploit competitors’ weaknesses, and so on. It’s a quick read, but offers plenty of motivation to the aspiring businessperson. (Vanguard Press, \$25.95)



**If you’re in the marketing business, you** have to know how to catch consumers’ attention and make them crave what you have to sell. That’s always been tricky, but it’s harder than ever in a shrill and hypercompetitive world where consumers are constantly bombarded by information. To make your message stand out, says Sally Hogshead, you must learn to *Fascinate*. “Companies that can help consumers feel more *fascinated* in their own lives, or more *fascinating* in their relationships, not only will win the sale but will earn consumers who actively seek out those products.” She describes the “seven triggers” of fascination—lust, mystique, alarm, prestige,



**Many people offer theories about what’s wrong with the MBA, but few of them study the** problem with as much depth and attention to detail as Srikant Datar, David Garvin, and Patrick Cullen in *Rethinking the MBA*. The three authors, all of Harvard, have compiled exhaustive data about the content and structure of MBA programs, the forces that have shaped the past 50 years of business education, and the trends and risks that will define its future.

“The data show an industry facing important challenges and institutions wrestling with the basic questions of purpose, positioning, and program design,” they write. “They also show an industry that has already begun the slow, painful process of adopting new approaches to maintain its relevance in a rapidly changing environment.” They refute the common charge that schools run “cookie cutter” MBA programs, citing a high continuity in content but great diversity in structure. They also identify areas where schools need to introduce or beef up programs to serve a changing market, including leadership, globalization, innovative thinking, and integrated studies. Finally, they comprehensively analyze programs run by six leading institutions—the University of Chicago, INSEAD, the Center for Creative Leadership, Harvard, Yale, and Stanford—and discuss how these might serve as models for business education in the future. All the topics in the book are familiar, but the book does a terrific job of gathering in one place most of the relevant information needed for management education to face its future. (Harvard Business School Press, \$39.95)



power, vice, and trust—and how they can be embedded in a product or an advertising campaign. “Lust leads to behavior that’s irrational, unreasonable, and, in many cases, flat-out absurd,” she writes. “For many types of messages, that’s good news. Critical, actually.” This isn’t your typical business book; it takes irreverent and eye-opening detours through the evolutionary benefits of smiling and the psychology of sex. But it’s always intriguing and it’s certainly fun. (Harper Business, \$26.99)

**In the coming decade, doing business**

in China will be essential for any major business, says Edward Tse, but developing *The China Strategy* will not be a simple or static task. “The intensity and scale of change in China means that all businesses, even those that currently are successful, will find themselves inadequately

prepared for the turmoil and dynamism to come,” he writes. “For in the world’s fastest-growing economy, the experience of the last ten years will not be the best guide to the next ten.” Tse examines four

key drivers that will shape China’s future: a new openness to outside cultures and goods that appeal to a growing consumer class; a highly competitive market that encourages foreign investment and domestic startups but makes it hard for any firm to dominate; a constantly changing level of economic involvement for the ruling Communist Party; and a growing global interconnectedness. Tse, senior partner and chairman for Greater China at Booz & Company, calls China an “irresistible marketplace,” and he



provides a roadmap for navigating its seductive but complicated terrain. (Basic Books, \$26.95)

**A business book titled *The Wisdom of Bees***

might at first strike sophisticated readers as a little simplistic. But Michael O’Malley’s deft comparison of beehives to corporations is both charming and thought-provoking. O’Malley—an executive editor



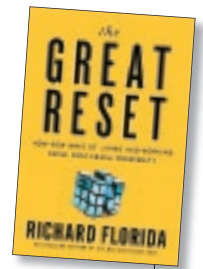
with Yale University Press and an adjunct professor at Columbia Business School—translates the communal, adaptive behavior patterns of bees into 25 lessons for the

corporate world. Lesson one emphasizes that bees are not short-term maximizers, so they never focus exclusively on a single source of essential supplies. They know that “someday the nectar in that location will stop flowing and they will need to be prepared to rapidly reallocate resources to other productive sites. To do so, they must already know where those sites are and have established operations, however minimal, in those locales. Said succinctly, bees avoid all-or-nothing scenarios at all costs.” Other observations are equally apt in this honey of a book. (Portfolio, \$21.95)

**Feeling panicked about the current economic situation?**

In *The Great Reset*, Richard Florida offers a thoughtful, generally hopeful assessment of where we are now, how we got here—and how we can rebuild in the future. A “reset” transforms more than economies, says Florida, part of the University of Toronto’s

Rotman School of Management. “As it takes shape around new infrastructure and systems of transportation, it shapes the rise of new housing patterns, realigning where and how we live and work. Eventually it gives rise to a whole new way of life—defined by new wants and needs and massive new models of consumption.” He examines the resets that occurred after the Long Depression of 1873 (“the crisis most like our own”) and the Great Depression of the 1930s, determining that intense periods of inventiveness followed these desperate times and fueled new prosperity. He acknowledges that resets involve real pain for cities, regions, and populations. But he also believes that growth is on the horizon if nations invest in new technologies, redeploy human capital—and realize that the reset will unfold over a long period of time. (Harper, \$26.99)



**If part of your job entails motivating**

teams to perform, *The Daily Carrot Principle* by Adrian Gostick and Chester Elton offers useful advice.

It’s a day-by-day manual for rewarding employees, showing them appreciation, and inspiring them to greater efforts. Many of the suggestions are simple common sense: Use vocabulary that is humanizing. Spend serious time on self-evaluation. Encourage humor in the office. A few are more subtle: Work to understand the different communication styles of your employees and co-workers. The various “carrots” work together to create a more civil—and productive—workplace. (Free Press, \$19.99) 