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Calendars, Clocks, and Confucius

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One aspect of today's pace is the "re-deployment" of time. Astonishing advances in computing and telecommunications have enabled us to get messages when we are not 'there,' and to listen or view them at places other than 'there' at times other than our customary schedule. Those of us impelled by inner drive or compelled by job requirements to wear devices that tweedle or beep are, as a result, immersed in a glowing lava flow of data and information. If you are one of these people (or want to be), here are some books that may help you tune into the various rhythms running through business today.



Conquering Uncertainty

by Theodore Modis
McGraw-Hill

BusinessWeek Books,
1998, 198 pages

www.businessweek.com

[Sounds like an oxymoron.] To be fair, one would think that the author is not assuming a constant three months per season. Yet in his analysis of curve-fitting outcomes, he readily rationalizes misfits for being out-of-step.

For each season, Modis offers prescriptions as to what the appropriate business action should be. Here's a sample. In the spring hire specialists; during the summer the specialists will evolve into bureaucrats; in the fall hire generalists; in the winter fire the bureaucrats. [Question: *When should we kill all the lawyers? In the winter of our discontent perhaps?*] The first six of the book's eight chapters are devoted to Modis' seasonal approach. The remaining two cover forecasting and managing in the future. Here there are interesting adaptations of the S-curve to data on car safety, UK coal production, and the artistic output of Mozart, Hemingway, and Alfred Hitchcock. In appendices, Modis reviews the mathematics of S-curves, economies of scale, and elasticity. Interestingly, he does not cover the math of downward sloping learning curves, per se, but chooses to note, earlier in Chapter 5, that they are derivable from an S-curve's mathematical expression. While illustrating the author's seasonal model with figures effectively, the book's weakness is that it tries too hard to cram the irregularities of the marketplace and technology into a foursquare matrix. Thus, Modis's attempt to live up to the title of his book, *Conquering Uncertainty*, falls short. A framework can help corral uncertainty, but it cannot stop it from bucking.

MODIS, A PHYSICIST, FUTURIST, and consultant, uses the life-cycle metaphor to address business-planning problems. He goes an extra step and layers on to it the four seasons: spring, summer, fall, and winter. He also folds in the Boston Consulting Group matrix—it too has four components: stars, cash cows, dogs, and question marks. Modis also adds in the sigmoidal shapes of growth curves, again subdivided into four phases, to serve as a graphical backdrop and to allow the injection of biological species competition into the discussion. Readers familiar with the use of S-shaped growth curves to represent the advances in technology will recall how an enveloping meta-S-curve can often be overlain on the successively rising individual curves, each of which represents some particular form of the technology. One cannot be sure which, if any, of the new potentially S-shaped developments will launch itself out of the hurly-burly of product development, market testing, and process perfecting. For Modis, these are the critical places, just where an 'old' curve ends (in its winter) and a nascent curve is perhaps beginning (in its spring). That is, chaos is seasonal!



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Clockspeed

by Charles H. Fine

Perseus Books, 1998,
272 pages.

www.aw.com/gb/
www.clockspeed.com

NATURAL RHYTHMS ALSO PLAY a prominent role in this thought-provoking book. The twist here is that the author, MIT management professor Charles Fine, uses the micro life cycle of fruit flies as his core metaphor. The short birth-death sequence of these favorite experimental-lab insects enables biologists to study genetic consequences readily. Fine wants to study the consequences of "corporate genetic engineering" and notes that businesses vary considerably in the length of their life cycles. The best ones to study therefore are those that cycle quickly through products, people, and organizational forms. Fine calls them *industrial fruit flies*. They move at a quick clockspeed, not a lethargic calendar speed. As clockspeed goes up, competitive advantage longevity goes down.

How are some firms moving from calendar speed to clockspeed? Many are doing this by outsourcing. What to outsource and to whom should be decided by examining carefully the entire value chain that the firm is a participant in. One of the primary areas where successful outsourcing can be achieved is in the supply-chain segments of the overall value chain. *Supply chain* has become an increasing popular label for thinking in an integrative way about streamlining the flow of goods from beginning raw materials to in-customer-use products. Fine feels that supply chain design is a primary, core capability and that the ultimate strategic skill is to know what other capabilities need to be kept in-house and developed. The best aspects to outsource are those that are modular (and so can be de-coupled) and that also represent only a need for capacity but not expertise.

The book is divided into three parts. Part I provides Fine's concepts of *business genetics*, including the notion of the double helix. This refers to an interweaving of forces for industry integration and forces for dis-integration. Part II addresses sup-

ply chain design. The chain idea is extended to cover three types: organizational chains (supplier relations), technology chains, and capability chains. Each of these has to be 'mapped' so that the firm fully understands where it is. Part III attempts to translate the understandings gained into ongoing practice. For Fine, this means concurrent engineering of product, process, and supply chains; he terms this effort *three-dimensional* concurrent engineering. Here he also advocates the use of a design structure matrix, developed by MIT colleagues, that offers sequencing insights over those of conventional critical path methods.

While the supply chain emphasis in this book would suggest its use in logistics courses, it really is more suitable for joint engineering-business school courses in technology management and product design. It contains numerous company examples and is backed up with 24 pages of notes. Fine is conscientious about giving credit to others in the development of his industrial fruit flies metaphor and the consequences of short-lives for business planning and action.

Those interested in reading about *real* fruit flies might find of interest a recent (April 5th) *New Yorker* piece about Cal Tech biologist Seymour Benzer, who has identified a *Methuselah* fruit fly.



Confucius Lives Next Door

by T. R. Reid

Random House, 1999,
276 pages

www.atrandom.com

AN INDICATION OF THE ADMIRATION that *Washington Post* correspondent Reid has for things Confucian is the dedication of the book to his oldest Asian friend. Reid is struck by the safety and stability of Asian cultures—which enables him and his family to move around Japanese cities without fear of assault and injury. That does not mean that he sees Japan as crime-free; indeed he points out the considerable extent of white-collar crime. But it is the concern for the greater good permeating Japanese society that is the focus of Reid's attention.

Lawbreakers are shamed into repentance rather than shut into prisons. Reid attributes this desire to help society run smoothly to Confucian philosophy, which has been transmitted down through the years in Asia in a fairly consistent way.

Where does this book fit into academic needs? For those teaching international business, this offers good background on Asian economic miracle and current economic crisis. There is a useful appendix of mini-profiles of the countries that make up East Asia. Two of the ten chapters focus on Japanese business practices. One particularly good example involves that of the NKK Steel Company. Like most large steel firms, it not only made steel for others to fabricate, it fabricated bridges, buildings, and big boats—specifically icebreakers. As the Yen grew strong and shipbuilding contracts tilted in favor of Korea and elsewhere, NKK had trouble getting contracts and therefore trouble meeting its lifetime employment commitment. It saved the day, reported Reid, by using its ocean-going savvy to build indoor wave parks and its snowy-conditions know-how to build indoor ski slopes. Another example involves the new employee induction ceremony at NEC. Indeed, it is the recurrent use of public ceremonies of various kinds that Reid praises as Japan's way of reminding young people of their responsibilities to the larger body. America should do more of this says the author. Our values (e.g., Yankee thrift and hard work) are really not any different from those of the Japanese. It's just that they do more to affirm those values in a public way.

The book is a comfortable read with frequent touches of humor, though some may find it too accommodating to the Asian critique of the West, and of the U.S. in particular, as overly patronizing and arrogant. As an interesting counter, Reid devotes an entire chapter to pointing out the flaws and oversights in his laudatory account. They include the extensive public corruption, the treatment of women, and suppression of individuality. This sort of self-rebuttal technique is apparently standard practice for Japanese essayists. It's called *atogaki* and reflects the humble author's willingness to acknowledge other points of view. Now there's an Asian practice more Westerners should adopt. ■