

P R E F A C E A N D A C K N O W L E D G M E N T S

My father told captivating bedtime stories. As a history teacher he was able to take me back to the streets of ancient Rome, the dramatic battle for a nearby castle in 1504, or the adventures of Andreas Hofer, a 19th-century freedom fighter who tried to throw the mighty armies of Napoleon out of my home state. (He lost, but I can assure you that he put up quite a fight.) No doubt these tales set the stage for my interest in history. But these stories also taught me that history holds more than entertainment value: it's an endless source of lessons, and each of us can learn anew by traveling into the past. Now, I realize that is perhaps not such an unusual insight. Nonetheless, it marked a profound turning point for me and provided a lesson worth reminding ourselves of from time to time.

In business we often forget about history. Or worse, we discount it as something that is no longer relevant. While history might not repeat itself in exactly the same way, such a view of history disregards the sheer endless opportunities to learn from the past. Sure, we do not struggle with exactly the same issues as the men and women of the Industrial Revolution faced. But once we look below the surface, we notice that there are still many similarities. How should we react when a competitor enters our market? Which type of leadership is most suitable in times of trouble? Is

innovation the only way to ensure future success? These questions are as relevant today as they were 150 years ago! Throw any question you can think of at “history,” and you will receive a number of answers that will enrich your understanding. The tricky bit is finding the stories in history that are most useful for addressing the issues in question—which brings me to why I wrote this book. I tried to identify relevant answers provided by history. I tried to capture what we can learn from the history of outstanding corporations.

Who Should Read the Book?

Executives who are interested in managing for the long term should read this book. I hope that they will be able to learn from the history of the outstanding corporations featured in the book, but also be inspired to investigate the past of their own companies. The data, diagnostics, and stories should help them in answering the following questions: (1) How should we balance innovation and operational excellence? (2) Are we over- or under-diversified? (3) Which mechanisms can help us to capture some of the lessons we learned? (4) Should we be bold or conservative? (5) How can we successfully transform our organization? (6) Who is the right person to succeed me? Investors, analysts, and consultants should also find this book useful when they try to assess the long-term strategies of corporations.

My Promise to the Reader

In his outstanding book *Profit from the Core*, Chris Zook notes that in any given year about two hundred business tools and frameworks are in use. What’s most surprising is how short-lived many of those are. It’s almost as if one fad hunts the next one. New tools are by nature not yet tested. They promise the ultimate solution, but once they turn out to be more shine than substance, they quickly disappear. This book promises *not* to deliver another magic cure, a solution to all your problems. Its offer is stories and insights from history. Each of its propositions has been tested for more than 100 years in different settings. And even if the ideas put forward are not suitable for your organization, they will stimulate discus-

sion. In fact, since this book and I are outsiders to your particular situation, this is all that we can offer: food for thought to help you develop ideas that work in *your* organization.

Thank You

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