

Index

- Accenture, 114, 126, 203
- Access channels, business-model alliances, 110, 127
- Acquisitions, 107, 118, 136, 148, 200
mergers and, 64, 73
- Addressed market segment, 27–28
- Advanced Micro Devices, 32
- Alcoa, 12
- Allen, Paul, 106
- Alliance(s), *see also* Big Brother alliances; Big Brother-Little Brother alliances
complementary, 115
leveraging, 15–16
partners, 51
relationships, 52
- Always Change a Winning Team* (Robertson), 233
- Amazon.com, 43, 72, 82
- America Online, Inc. (AOL), 107, 109, 112–113
- Amgen, 4, 9, 14, 29, 196
- Andersen Consulting, 79, 107, 112, 125–126, 162, 177, 184, 186, 202, 206
- Andreessen, Marc, 155
- Apollo Group, 21, 34, 190
- Apparel Retail industry, 54
- Apple iPod, 44, 93
- Arnson, Eric, 227
- Asymmetric alliances, 108, 128
- AT&T, 107, 113
- Attracting customers, 201
- AutoNation, 55–56
- AutoZone, 8, 29, 39–40, 55–56, 70–71, 109
- Avici Systems, 190
- Avis, 37
- Axelrod, Beth, 218
- Ayala, Orlando, 205
- Baby boomer market, 65
- Bailey, Nancy, 121–124
- Bain Capital, 185
- Ballmer, Steve, 165
- Bank of America, 200
- Barnes & Noble, 98
- Bell Companies, 33
- Benchmark growth, 7–8
- Benefit bundles, 228–230
- Benefits
of Big Brother alliances, *see* Big Brother alliances, benefits of
of Big Brother-Little Brother alliances, *see* Big Brother-Little Brother alliances
- Benefits Ladder, 225–226, 228
breakthrough, 26, 47–48, 50, 227–228, 230–231
customer-centric, 240
emotional, 28, 47, 50, 83, 103, 227–228
functional, 28, 47, 50, 228–229
higher-order, 28, 39, 47, 50, 178, 228, 240, 242
intangible, 50, 80, 83, 103, 240
permission, 47–50, 229–231
tangible, 240
of teams, 20, 132
- Best Buy, 8, 29, 40, 191
- Best practices, managerial, 69–70, 220
- Big Box stores, 29. *See also* Category Killers
- Big Brother alliances, *see also* Big Brother-Little Brother alliances
benefits of, 177, 184, 205, 211
board composition, 184, 186, 188
development of, 107–108
exponential growth versus growth companies compared, 206, 209
Joint Development Agreement, 106

- Big Brother alliances (*continued*)
 new markets, 240–241
 overview of, 105–106
 server platform providers, 114
 storage equipment providers, 114
 System Integration services, 114–115
 success factors, 107
 telecommunications industry, 114
- Big Brother-Little Brother alliances
 access channels, 110, 127
 agreement selection, 125
 asymmetric alliances, 108, 115,
 127–128
 benefits of, 15–16, 52, 106–107, 116,
 127
 business-model alliances, 108–110
 case illustration, P&G, 116–125
 classification of, 108
 complementary alliances, 115
 evolution of, 126
 examples of, 107–116
 execution challenges, 115–116, 128
 failure rate, 108
 information resources, 125
 leveraging, 128
 Little Brother benefits, 118–120, 127
 partner selection, 113–115
 relationship building, 120–121,
 124–125, 127–128
 revenue-centric alliances, 108, 111–113
 statistics, 121
 structure of, 118, 124–127
 successful, 126–127
 symmetric, 128
- Big Idea
 Blueprint Value Proposition, 25–50
 exponential growth versus growth
 companies compared, 195, 209
 significance of, 12–13, 23, 129, 151,
 186, 207, 220
- Biotechnology sector, 9, 14, 108
- Block, Arthur, 167
- Blueprint Companies
 ability/drive, 234
 breakthrough benefits, 230–231
 customer relationships, 229
 defined, 2
 evolution, 21
 focus, 228–229, 234
 generation of, 21–22
 in-the-making, 87
 permission benefits, 229–231
 selection criteria, 237–238
 7 Essentials summary, 11–19, 191–209
 statistics, 3, 21, 45
 struggles of, 210, 211
 success factors, 132–133
 Top 100 Blueprint Companies, 8–10,
 223–225
 Trusted relationship, 229–231
 up-and-coming, 20, 43, 52, 78–79, 97,
 213, 211
 valuation of, 8–11
- Blueprint Industries, Highest Market
 Value, 136–137
- Blueprint leaders, *see also specific
 Blueprint leaders*
 leadership formula, 179
 passion for the company, 177–178
 problem-solving abilities, 179
 qualities of, 162–163, 180
- Blueprint Masters (industry veterans)
 case illustrations, 142–152
 financial performance, consistent
 and superior, 141
 financial profile of, 136–141, 241
 positive returns, 131–134
 shareholder returns, 141–142
- Blueprint Technology Companies,
 136–139
- Board composition
 average profile, 183–184
 balance in, 183–184, 188
 cross-board relationships, 185, 188
 Essentials Experts, 187–188, 208, 210,
 241
 investors, 187–188
 management, 187–188
 significance of, 17–18, 130, 177, 183,
 187

- struggling companies, 186–187
successful companies, 184–185, 188
- Board of Directors
composition of, *see* Board
composition
management team's relationship
with, 186–187
recruitment of, 184
relationship building with, 160
trust development, 187
- Bovee, Roger, 84, 144–149, 208
- Booth, Melvin D., 19
- Boyer, Herbert, 30
- Boyle, Gertrude, 149
- Boyle, Tim, 149–152
- Bradley Pharmaceuticals, 43–44, 50
- Branded products, value creation and,
121–123
- Breakaway Innovation Leadership,
162–163
- Breakaway Marketing Leadership,
161–162
- Breakaway Solutions, Inc., 131–133
- Breakthrough benefits, 26, 47–48, 50,
227–228, 230–231
- Breakthrough innovations, 26, 30, 31,
103. *See also* Innovations
- Breakthrough Value Proposition
creation of, 27, 49, 138
exponential growth versus growth
companies compared, 198
importance of, 13–14, 23–25, 49,
142
sustainability of, 31–32, 240
- Brin, Sergey, 110
- British Telecom, 113
- Broadcom, 32–34, 44, 46, 88, 101, 109,
158, 165
- Buenger, Clement, 66–67
- Buffett, Warren, 4
- Built to Last* (Collins), 209
- Bundle and migration strategy, 231
- Business models
alliances, 108–110
characteristics of, 86, 180
- Business units, 153
- Buzz and hip marketing, 41–42
- Campbell, Dick, 132–133, 141, 153
- Cap Gemini, 202
- Capital expenditures, 133
- Career Education (CEC), 21, 111–112
- Cash cows, 153
- Cash flow
drivers of, 135
exponential growth versus growth
companies compared, 203
free, 135–136, 139, 241
negative, 130–131
positive, 138–139, 150, 154
significance of, 13, 134–136
- Category Killers, 14, 24, 29, 39–43,
45–46, 49, 56–58, 60, 69, 74
- Cerent (Cisco Systems), 25
- Change management, 176
- Changing Paradigms (company),
119–120
- Charles Schwab (Corporation), 4, 88,
162, 200–201, 206
- Chevron, 196
- Chief Executive Officers (CEOs), *see*
also Inside-Outside Leadership
functions of, 17–18, 177
qualities of, 161, 165, 184, 186, 211,
241
- Chief Information Officer (CIO), 85
- Chief Operating Officer (COO), 17, 208,
241
- Ciena, 91, 210
- Cincinnati Bell, 200
- Cincinnati Financial, 184–185
- Cisco Systems, 4, 8, 10, 25, 29, 32–33, 39,
46, 50, 75–77, 79, 81–85, 88, 90, 101,
113, 135–137, 154, 158, 166, 178,
191, 196–197
- Claire's Stores Inc., 56
- Clear Channel Communications, 39
- Coach Inc., 34
- Co-developed value proposition,
77–78

- Collaborators, 177
 Collateral, 150
 Collins, Jim, 209, 220
 Columbia Sportswear, exponential
 returns case illustration, 149–152
 Comcast, 33
 Communications, consistency in, 17,
 172–173, 181
 Compaq, 79, 114, 197, 200
 Comparison methodology, 239–242
 Competitive advantage, 56–57, 194
 Complementary alliances, 115
 CompuServe, 113
 Computer industry, 108, 114. *See also*
 specific computer technology
 companies
 Computer operating systems, *see* IBM;
 Microsoft
 Consistency, significance of, 172–176
 Consolidation, 47, 62, 65
 Consumer behavior, 28
 Consumer Discretionary sectors, 8, 11,
 73–74
 Consumer Staples economic sector, 9
 Cook, Scott, 184
Cool Million, A (West), 219–220
 Core value proposition, 71, 107, 112,
 151, 163
 Corporate standards, 96–97
 Corporate structure, 68
 Corporate values, consistency in,
 172–173, 180–181
 Cost of capital, 130, 134–135, 149, 153
 Course of focus, 36
 Cover Girl brand, 118–119
 Cracker Barrel Old Country Store, 86
 Crayola, 122
 Credibility, 15, 30, 77, 79, 115, 127, 202
 Critical gaps, 32–34
 Cross-functional teams, 20
 Customer(s)
 attitude, 82
 beachhead, determination of, 81–83,
 111
 consolidation, 47
 life-cycle revenues, 15, 85, 91, 102,
 111–113
 loyalty, 50, 230
 metrics, 16
 relationship with, 52, 76, 81, 87, 103,
 198, 229
 retention, 91–92
 Customer-centric benefits, 240
 Customer-centric corporate structure,
 68
 Customer-centric focus, 111
 Customer-centric value proposition,
 56–57, 102
 Customer-relationship management,
 198
 Customer service strategies, 43, 143,
 147–149
 Cutting-edge industries, 72–73

 Data Processing & Outsourced Services
 industry, 54
 Defining moments, 172–176, 181
 Dell, Michael, 28
 Dell Computer, 28, 114, 144
 Deloitte & Touche, 202
 Delta Air Lines, 42
 Demographics, 28
 Differentiated leadership, 181
 Differentiated value proposition, 39
 Direct-selling strategy, 199
 Disproportionate value, sources of,
 135–136
 Distribution strategies, 40, 42–43, 64, 151
 Dreyer's Grand Ice Cream, 98, 101, 113
 Drive, significance of, 160, 180, 233–235

 Earnings, positive, 138–139
 Earnings before interest, taxes, and
 depreciation (EBITDA), 138, 154,
 241
 eBay, 8–10, 14–15, 17, 29, 50, 72, 77–78,
 82–84, 92, 101, 107, 112–113, 141,
 154, 158, 173–174, 181, 184, 207

- Economic sectors, 9, 73
Economic sector rotation, 213–215
Eger, Terry, 75, 77, 82, 84, 178, 208
Elevation Partners, 25
Eli Lilly & Co., 30–31, 107, 110
Ellison, Larry, 164
EMC, 114
Emerging markets, 115
Emotional benefits, 28, 47, 50, 83, 103, 227–228
Employee stock ownership program (ESOP), 146
End-to-end systems, 149–152
Energy sector, 9
Entertainment industry, 107
Equity, 125
Escape velocity, 189–191, 193
Essentials Experts, 17–18, 187–188, 208, 241
Essentials, 7, *see* 7 Essentials
Essentials scorecard
 application of, *see* Essentials
 scorecard, exponential growth
 versus growth (Onyx-Siebel) case illustration
 comparison methodology, 239–242
Essentials scorecard, exponential growth versus growth (Onyx-Siebel) case illustration
 Big Brother alliances, new markets, 201–203
 board composition, 205–206
 breakthrough value proposition, 194–198
 exploitation of high growth-market segment, 198–199
 financial performance, 203–204
 inside-outside leadership, 204–205
 Marquee Customers, 200
 purpose of, 193, 211
 value proposition, 211
Essentials Triangle, 12–13, 22, 208–209
Ethics, 173
Exit strategy, 126
Exploration and Production Company, 37
Exploratory behavior, 172, 181
Exponential growth
 comparison case illustration of, 194–212
 essential components of, 15–19
 overview, 11–13
 success rate, 102, 103
 versus growth (company comparison) methodology, 238–242
Exponential returns
 case illustrations, 142–152
 creation and sustaining, 129–131
 market value drivers, 132
 positive returns, importance of, 131–134
 return on invested capital, 132, 134–135
 revenue growth rate, 132
 shareholder returns, 141–142
 sources of, generally, 16, 241
Exponential revenue growth, characteristics of, 5–6, 51. *See also* Exponential Revenue Growth, creation and sustaining
Exponential Revenue Growth, creation and sustaining
 Big Brother alliances, leveraging, 105–128
 exploiting high-growth market segments, 53–74
 Marquee Customers, development of, 75–103
Express Scripts, 4, 191
Failure rates, 108, 132–134, 219
Fastenal, exponential returns case illustration, 142–143, 154
Feedforward, 229–233
Fifth Third Bancorp, 8, 66–67, 70–72, 184
Filo, David, 155–156

- Financial performance, 20
 Financial profile, components of, 136–141
 Financial Services sector, 8, 9
 Flextronics, 25
 Focus, importance of, 36, 46, 70, 159–160, 162, 180, 205, 211
 Ford Motor Company, 200
 Foster, Joe, 36–37
 Free cash flow, 135–136, 139, 241
 Frei, Brent, 193, 204
 Friedman, Thomas L., 213
 Functional benefits, 28, 47, 50, 228–229
- Gap Fillers, 29, 115
 Gates, Bill, 48, 94, 105–106, 130, 158, 161, 165–168, 178, 194
 GE Capital, 200
 Genentech, 4, 14, 27, 29–31, 107, 110
 General Electric, 162, 185
 General Instrument, 33
 General Mills, 122
 Glatt, Jordan, 123–124
 Goldsmith, Marshall, 172–173
 Google, 4, 7–9, 37–38, 48–50, 84, 109–110, 112, 186
 Gross margins, 46–47, 50, 133, 137–140, 154, 204, 208
 Growth companies, *see also* Exponential growth
 Growth rate, 2–3, 190, 192
 Growth versus exponential growth methodology
 company comparisons, 239–242
 determination of, 238–239
- Handfield-Jones, Helen, 218
 Hands-on managers, 178
 Hardware industry, *see* Fastenal
 Harley-Davidson, 4, 14, 29, 72, 84
 Hawaiian Punch, 122
 HCA, 4, 191
 Health Care
 facilities, 52, 54
 sector, 9
 Services, 54
 Hertz, 37
 Hewlett-Packard (HP), 114, 167, 197
 Higher-order benefits, 28, 39, 47, 50, 178, 228, 240, 241
 High-growth market segment,
 exploitation of
 best management practices, 69–70
 cutting-edge industries, 72–73
 implications of, generally, 14–15, 51, 53–54
 imported talents and lessons, 71–72
 innovations, 72
 mature markets, 68–69
 methodology, 240
 multiple product lines, 70–71
 overview of, 53–54
 partnering with suppliers, 71
 Property and Casualty Insurance, 60–65, 68–69
 Regional Banks, 66–68
 Specialty Retail Stores, 54–60
 High Technology industry, 136, 153–154
 Hockmeyer, Wayne T., 18–19
 Hoffman-La Roche, 31
 Hold Everything, 58, 70
 Hollywood Entertainment Corp., 56
 Home Depot, 4, 8, 14, 29, 40, 42–43, 109
 Home furnishings market, 58, 69
 Hot-growth companies (*BusinessWeek*), 21
 House, Patricia, 158, 193, 205
 Huawei Technologies, 46–47
 Human capital, 213
- IBM, 75, 110, 114, 126, 177, 195, 197, 202–203, 206, 230
 Imported talents and lessons, 71–72
 Incremental margins, 140
 Inflection point, 5–8, 192–193, 211. *See also* Year 0

- Information Technology (IT) sector, 8–10, 64, 191
- Initial Public Offerings (IPOs), 1, 5, 32, 64, 219
- Innovation
- alliance development and, 109–110
 - breakthrough, 26, 30–31, 103
 - importance of, 15, 17, 40, 72, 82, 87, 160, 180
 - industries, 52
 - leaders, 160, 162–163, 180
- Inside-Outside Leadership
- ability, 176, 180
 - Breakaway Innovation Leadership, 162–163
 - Breakaway Marketing Leadership, 161–162
 - consistency drivers, 172
 - dimensions of, 159–163, 180
 - drive, 160, 180
 - essentials of, 159
 - exploration, 172
 - focus, 159–160, 180
 - importance of, 16–17, 20, 130, 155–158
 - innovation, 160, 180
 - key roles of, 163–165
 - leadership styles, case illustrations, 165–171
 - managerial abilities, 160
 - methodology and, 241
 - overview, 16–17
 - self-correction ability, 176
 - success factors, 180
- Intangible assets, 121
- Intangible benefits, 50, 80, 83, 103, 240.
See also Benefits
- Intel, 32, 46
- International Game Technology, 21
- Internet-based ordering system, 86
- Internet Retail sector, 14, 68, 108, 141, 185
- Intuit, 25
- Inventory tracking, 71
- Investors, relationship building with, 159–160
- Janssen, Brian, 193–194, 204
- JDS Uniphase, 210
- JetBlue Airways Corporation, 28, 41–43
- Joint ventures, 98, 118
- Juniper Networks, 37–39, 190
- Kahn, Leo, 185
- Kaz Products, 122
- Kelly, George, 32–33, 46–47
- Kimball, Gary, 106
- Kleiner Perkins, 30
- Knight, Phil, 161, 177
- Koogle, Tim, 156–158, 176
- Krispy Kreme, 92
- Lafley, A. G., 116
- Large sales forces, 197
- Lattice Semiconductor, 190
- Law of disproportionate effects, 52
- Leadership, *see also* Blueprint leaders;
- Inside-Outside Leadership
 - breakaway innovation leadership, 162–163
 - breakaway marketing leadership, 161–162
 - characteristics of, 16–17, 20
 - differentiated, 181
 - future directions for, 218–219
 - linkage with 7 Essentials, 208–209
 - operational, 165, 180
 - styles, 163–165
 - styles, case illustrations, 165–171
- Le Cordon Bleu–Career Education (CEC) alliance, 111–112
- Leslie, Mark, 173
- Lester, Howard, 58–60
- Leverage/leveraging
- alliances, 15–16
 - customers', 47
- Licensing agreements, 110, 118. *See also* Trademark licensing

- Life-cycle revenues, 80–1, 99
Lighthouse reference, 78–80, 102
Lotus 1–2–3, 95
Lowe's, 42–43, 109
LSI Logic, 196–197
Lucent Technologies, Inc., 114
- Magla Products, 123–124
Mallett, Jeff, 156–158, 176
Management teams, *see also* Inside-Outside Leadership
 dynamic duos, 157–158, 165, 180
 importance of, 132, 140–142, 146, 154
 leadership styles, 163–165
 success factors, 155–157, 160
 “virtual,” 187
 Yahoo! case illustration, 155–157
Managerial abilities, 160
Managing forward, 231
Manufacturing industry, outsourcing, 109, 165
Margins, 50, 69. *See also* Gross margins
Market capitalization, 9, 11
Marketing agreements, 112–113
Marketing expenses, 123–124
Marketing leaders, success factors, 161–162
Market segments, exploitation of, 27–28, 51–52, 181, 198–199, 240
Market share, 132–133, 145
Market shifts, 213
Market structure changes, 46–47
Market value
 disproportionate, 8–10
 drivers, 132, 135
 growth in, 142
 implications of, 4, 11, 13, 16, 45, 50, 192–193
 sources of, 134–135
Markezich, Ron, 78
Marquee Customer(s)
 alliances, 111–112, 116, 127
 behavior patterns, 176
 Big Idea linked with, 207
 board composition and, 184
 case illustrations, 84–86, 97–101
 characteristics of, 15, 52, 75–76, 102, 240
 creation of, 229
 customer beachhead, securing, 81–83, 102
 customer mindset, 83–84
 customer retention strategies, 95–97, 103
 determination of, 87
 Fast Followers, 88
 First Movers, 88, 103
 life-cycle revenues, 90–95
 linkage with Big Idea, 207, 211
 mainstream, 88
 relationship building, 159–162
 securing, 208
 shaping revenue powerhouse, 76–81, 102
 types of, 88–89, 102
 utilitarians, 89
Marriott Host International, 98
Materials sector, 9
Mature markets, 68–69
MCI, 25
McNamee, Roger, 11, 25–27, 35, 81, 142, 207
Media industry, 107
MedImmune, Inc., 4, 18–19
Medtronic, 29
Meeker, Mary, 32, 84
Mentors/mentorships, 184
Mergers and acquisitions, 64, 73. *See also* Acquisitions
Michaels, Ed, 218
Michaels Stores Inc., 56
Microsoft, 4, 8–9, 14, 17, 24, 48, 78, 87, 90–97, 101, 105–107, 109–110, 114, 126, 135, 158, 162, 165–168, 181, 191, 193–195, 197, 199–200, 203, 206, 230
Mimi's Café, 86
Mindshare alliances, 111–112
Mission statement, Tractor Supply sample, 171–172

- Mr. Clean brand, 123–124
Mitten, Mark, 227
Moone, Robert, 62–63, 65
Moore's law, 120
Morgridge, John, 178
Motorola, 75, 79, 83, 114, 201
- Nancy Bailey and Associates, 119–120, 122
NASDAQ, 10, 174
National Semiconductor, 32
Nationwide Insurance, 201
Needs clustering, 28
Neeleman, David, 41
Negative cash flow, 130–131
Negotiations, 118, 122, 145
Netscape Communications, 109–110, 155
New drug development, 18–19, 30–31, 110
Newfield Exploration, 35–37
New lines of business, 93
New markets, 46, 240
New products, 50, 93
New World Shapers, 14, 24, 29–34, 45, 49–50, 69
Niche Shapers, 14, 24, 29, 34–39, 49
Nicholas, Henry, III, 32, 158
Nike, 158, 165, 177, 191
Nokia, 114
Nomadic, 200
NOPAT (net-operating profits less adjusted taxes), 133, 136
Nortel Networks, 33, 114
- Office Depot, 39, 55–58, 109
Oil and gas exploration, 36–37
Oki, Scott, 95–96
Olivetti, 113
Omidyar, Pierre, 164
One-stop shopping, 39–40
Onyx Software, growth compared with Siebel Systems, 190–206
Operating system providers, Big Brother alliances, 114–115
Operational leadership, 165, 180
Opportunities for Exponential Returns
 assessment of management's focus, drive, and ability, 233–235
 breakthrough benefits, delivery of, 227–231
 future directions for, 213–220
 Inside-Outside Leadership, 155–181
 linking 7 Essentials, 189–213
 Masters of Exponential Returns, 129–154
 methodologies, 237–242
 Top 100 Blueprint Companies, 223–225
Oracle, 114, 181, 190–191, 193, 195–196, 201
O'Reilly Automotive, 55–56
Organizational culture, 118, 215
Original equipment manufacturers (OEMs), 92, 113
Outback Steakhouse, 77, 86, 147–148
Outsourcing, 109, 165
Ownership issues, 118, 146
- Page, Larry, 38, 110
Partnerships, alliance. *See* Big Brother-Little Brother alliances
Passion for the company, importance of, 177–178
Patterson, Tim, 105
Peer ranking (eBay), 141
PepsiCo, 98, 113
Per-customer revenues, 52
Performance Food Group (PFG), 77, 84–86, 144–149
Permission benefits, 47–50, 229–231
Perna, Janet, 202
Peters, Tom, 220
PetMed Express, 43, 50
PETsMART Inc., 40–41, 56, 71, 185
Pier 1 Imports Inc., 56
Pitfalls, types of market, 46–47
Portfolio diversification, 230
Positive cash flow, 138–139, 150, 154
Positive earnings, 138–139

- Pottery Barn, 48, 58–60, 70, 73
Pottery Barn Kids, 48, 58, 70
Priceline.com, 72
Price-to-earnings (P/E) ratio, 148
Pricing strategy, 40–41, 43
Problem-solving skills, 19–20, 160, 178
Process Managers, 164–165
Procter & Gamble (P&G), Big Brother-Little Brother alliances, 116–123, 185
Product(s)
 alliance, 111–112
 consumers, 77
 delivery, 71
 development of, 87, 103, 115, 140, 151, 206
 differentiation of, 73
 focus on, 159–160, 162, 205
 life-cycle, 31
 lines, multiple, 70–71
 scalability, 90–91
 testing, 102, 202
Product/service, business-model alliances, 109–110
Profitability, 145–147
Property and Casualty Insurance, 14, 52–54, 60–65, 68–69
Property, plant and equipment, 133

Radio frequency identification tags (RFID), 71
Rashtchy, Safa, 48
Real Estate Investment Trusts (REITs), 54, 60
Redshaw, Toby, 79
Regional Banks, 54, 66–68
Regis Corp., 56
Reinvestment in the business, 132–133
Relational Technology, 190
Relationships, *see also specific types of*
 Marquee Customer *relationships*
 focus on, 159–162, 205
 life-cycle, 80, 99. *See also* Life-cycle revenues

Research and development (R&D)
 investment, 140, 154, 203, 241
Resource allocation, 16
Retail Specialty industry, 53–54, 56, 59–60, 73, 136
Return on Invested Capital (ROIC), 132–135, 144, 146, 152
Return on Investment (ROI), 13, *see also* Return on Invested Capital
Revenue-centric alliances, 108, 111–113, 118
Revenue growth, 102, 153. *See also* Exponential growth; 7 Essentials
Revenue Powerhouse Framework alliances, 111–113
 characteristics of, 76–81, 102, 135, 206
 exponential growth versus growth companies, 204, 206
 methodology, 240–241
Risk/return (of 4-, 6-, and 12-year trajectory Blueprint Companies), 142
Rizzo, Paul, 105
Robertson, Peter, 159, 233–234
Rosensweig, Dan, 157
Ruby Tuesday's Restaurants, 86

Safeway, 119
Sales
 culture, 70, 74
 cycles, influential factors, 103
 force, 196
 teams, 89
Samsung, 33
Samueli, Henry, 32, 158
SAP, 114, 201
Savings and loan (S&L) crisis, 66
SBC, 113
Scarlett, Joe, 71, 79, 130, 158, 168–172, 175–176
Schaefer, George, 66–67, 184
Schiff, John, 184
Schmidt, Eric, 186, 206

- Schultz, Howard, 34–35, 81, 158, 161, 178, 184
- Schwab, Charles (person), 184, 186, 205
- Scientific Atlanta, 33
- S-curve, team assessment, 233–235
- Seagate Technology, 25
- Seattle Seahawks, 200
- Segmented markets, 73. *See also* Market segments
- Self-correction, by management teams, 176, 190, 210
- Self-funded investments, 140, 208
- Selling, general and administrative expenses (SG&A), 138, 140, 154, 203
- Semel, Terry, 156–157
- Semiconductor industry, 108
- Senior management, 127–128. *See also* Inside-Outside Leadership
- 7 Essentials, *see also* Essentials Experts; Essentials scorecard; Essentials Triangle
- Big Brother alliances, 105–128, 240
- board composition, 17–18, 176, 183–188, 242
- breakthrough value proposition, 13–14, 25–50, 240–242
- determination of, 238
- execution of *all*, 18–19, 193, 211
- exploiting high growth market segment, 14–15, 53–74, 211, 240
- exponential returns, 16, 131–154, 241
- future directions of, 219
- information resources, 242
- Inside-Outside Management, 16–17, 155–181, 242–241
- leveraging alliances, 15–16
- linkage between, 176, 189–211
- Marquee Customers, 15, 75–103, 240
- simultaneous management of, 177, 179
- Shaheen, George, 186, 206
- Shareholder returns, 139, 141–142
- Shareholder value, 13, 16, 116, 132
- Shirley, Jon, 94, 130, 158, 166–168
- Siebel, Tom, 158, 162, 177, 184, 186, 193, 196, 200–201, 205
- Siebel Systems, 34, 50, 79, 88, 107, 112, 114, 125–127, 158, 184, 186, 190–206. *See also* Essential scorecard, exponential growth versus growth
- Siemens AG, 113, 200
- SigmaTel, 43–44, 50
- Smith, Orin, 158
- Soft-market cycles, Insurance industry, 65
- Software alliance network, example, 114–115
- Software industry, 107–108, 113–115
- Sourcing, low-cost, 149–151
- Southwest Airlines, 39–42
- Specialty Retail Stores industry, 14, 52–60, 68
- Spense, Michael, 206
- Sprint (company), 91
- Staples, 4, 8, 14, 28–29, 39–40, 43, 50, 55–58, 70, 181, 185, 191
- Starbucks, 4, 14, 27, 34–35, 48, 50, 92, 97–98, 101, 112–113, 158, 178, 229–230
- State Auto Financial (STFC), 62–63, 65, 70
- Stemberg, Tom, 28, 39–41, 57–58, 69, 164, 185
- Stevenson, Todd, 193, 204
- Stock Appreciation Rights (SARs), 185
- Strategic alliances. *See also* Big Brother alliances; Big Brother-Little Brother alliances
- Strategic initiatives, 179. *See also* Innovation
- Strategy development, 1–24
- Success-based methodology, 236–240
- Summers, Lawrence, 213
- Sun Microsystems, 114, 190, 196

- Suppliers, *see also* Supply chain
partnering with, 71, 73, 102
relationship with, 150
- Supply chain
business-model alliances, 109
innovation, 46
management, 57, 60
standard, 87
- Sustainability, of growth drivers,
132–133
- Swanson, Robert, 30–31
- Swette, Brian, 77
- Taiwan Semiconductor, 109
- Tangible benefits, 240. *See also* Benefits
- Target companies, determination of, 28,
240
- Target customers, determination of,
229
- Target markets, identification of, 195,
198–200, 206
- Team(s)
assessment factors, 233–235
benefits of, 20, 132
development of, 87
managerial, 78
sales, 89
- Technology boom, 131–132
- Technology bubble, 191, 210
- Technology industries, 9, 16.
See also specific technology companies
- Telecom Australia, 92
- Telecommunications industry, Big
Brother alliances, 114
- Telecommunications Services, 53
- Telecom Services sector, 9
- Tenneco, 36
- Texas Instruments, 46, 32
- 3Com, 33
- 3M, 96
- Tiffany & Co., 56
- Time Warner, 4, 33
- Toll Brothers, 97–101
- Tractor Supply Co., 17, 24, 40, 56, 71,
79, 130, 158, 168–172, 175–176
- Trademark licensing, 110, 118–119,
121–122, 125
- Underwriting, Property & Casualty
Insurance industry, 64–65
- Unisys, 196–197
- United Airlines, 98
- UnitedHealth Group, 4
- U.S. Food and Drug Administration
(FDA), 18–19, 110
- Up-and-coming Blueprint Companies,
20, 43, 52, 78–79, 97, 213, 211
- Usmani, Asma, 42
- Utilities economic sector, 9
- Valuation, of Blueprint Companies,
8–11
- Value-added resellers, 199, 201
- Value Assessment Framework, 153
- Value creation, 44, 50, 118, 132, 136
- Value Proposition, *see*
also Breakthrough Value
Proposition
Blueprint, 25–50
breakthrough, 13–14, 25–50, 194–198,
240–242
Category Killers, 29, 39–43, 45–46
codevelopment of, 77–78
core, 71, 107, 112, 151, 163
customer-centric, 56–57, 102
determination of, 26–27, 49
development of, 43–44
differentiated, 39
elements of, 27–29
implications of, 46, 129, 211
innovation-based, 44–45, 163
New World Shapers, 29–34, 45
Niche Shapers, 29, 34–39, 45
types of, 29
- Values, consistency of management,
180–181
- Veritas, 9, 34
- Vicks Vaporizer, 122
- Virgin Atlantic, 41
- Vision, significance of, 82–83, 117, 162

-
- Vitalink, 75
- Wal-Mart, 39, 42–43, 87, 109, 119
- War for Talent, The*
(Michaels/Handfield-
Jones/Axelrod), 218
- Webb, Maynard, 158, 174
- Weedman, Jeff, 116–123
- Weedman's Corollary, 120–121
- West, Nathaniel, 219
- West Elm, 58, 70
- Whitman, Meg, 158, 161, 174–175, 185
- Williams, Andrea, 156
- Williams-Sonoma Inc., 4, 8, 48, 53, 56,
58–60, 69–70, 73
- Word-of-mouth advertising, 79
- Working capital, 133, 146, 150
- Worldcom, 91
- Wright, Jim, 130, 158, 168–170, 175
- Xilinx, 190
- Yahoo!, 17, 29, 38, 107, 113, 155–158, 201
- Yang, Jerry, 155–156
- Year 0 (Inflection Point), 6–8. *See also*
Inflection Point

