

# Billion-Dollar Lessons

*Learning From Others' Failures—  
So They Won't Happen To You*

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# Outline

1. Three Insights
2. One Recommendation
3. Personal Implications

Insight I

Strategy Matters

# Insight 2

## Seven Failure Patterns

# Seven Failure Patterns

1. Illusions of Synergy
2. Faulty Financial Engineering
3. Deflated Rollups
4. Staying the (Misguided) Course
5. Misjudged Adjacencies
6. Fumbling Technology
7. Consolidation Blues

# Insight 3

Why Do Bad Strategies  
Happen to Smart People and Good  
Companies?



"All those in favor say 'Aye.'"

"Aye."

"Aye."

"Aye."

"Aye."

"Aye."

# One Recommendation

# Agree to Disagree

*Decisions of the kind the executive has to make ... are made well only if based on conflicting views, the dialogue between different points of view, the choice between different judgments.*

– Peter Drucker

# Three Models



Alfred P. Sloan

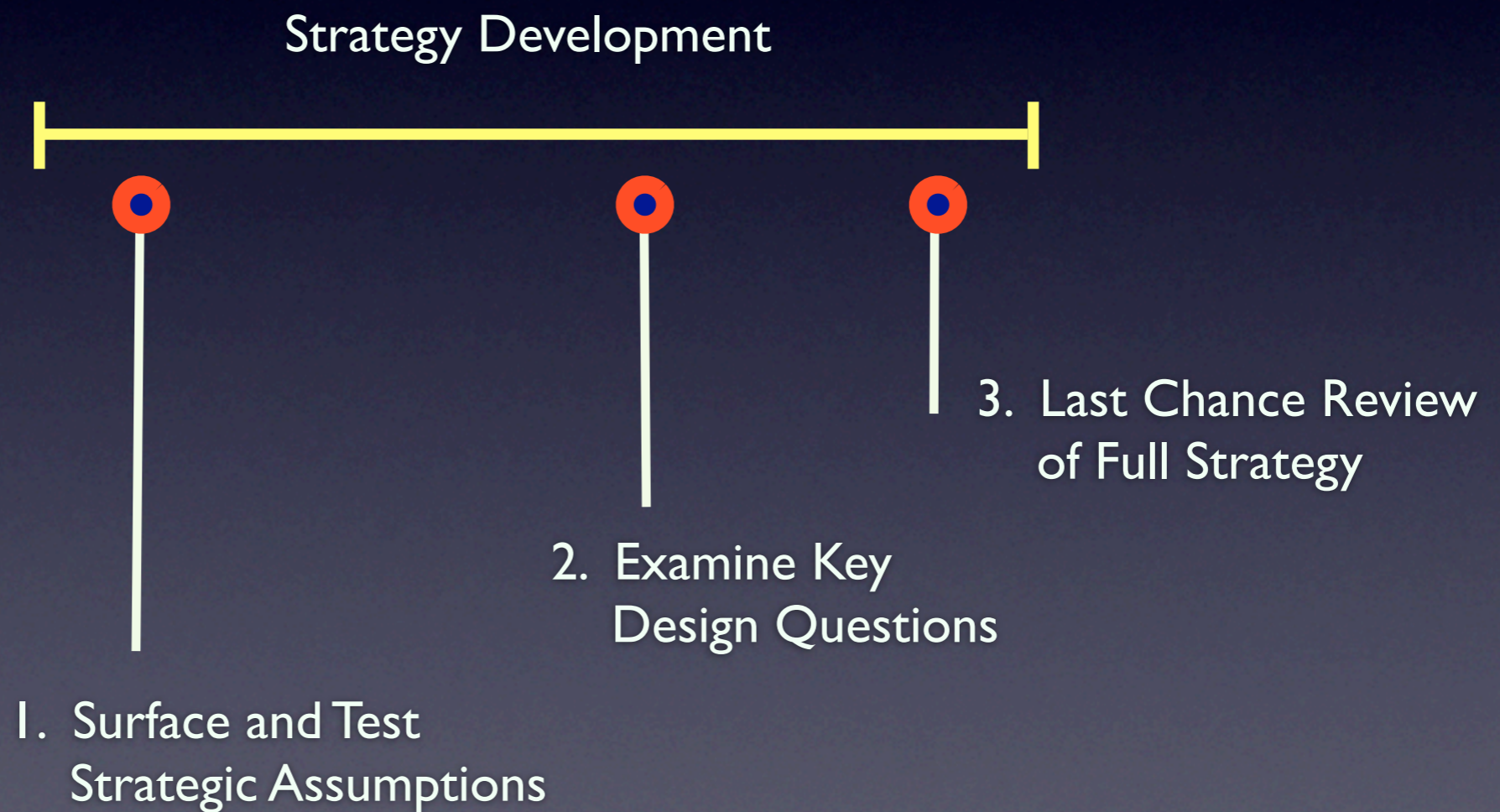


Ancient Persians



Catholic Church

# Independent Devil's Advocate Review



# Devil's Advocate Principles

- Transparent, even to the Board
- Led by a trusted outsider
- Offers fresh perspectives
- Focuses on facts, not emotion or intuition
- Delivers questions, not answers

# Implications

- Boards of Directors
- CEO
- Functional executives
- Business unit leaders
- Line management

# Epilogue

- Looking for the best option, not perfection
- There is no way to guarantee success
- Business is a contact sport
- Ask the tough questions
- Make the strategy stronger or identify fatal flaws, whichever needs to be the case

Thank You



# Biography

Chunka Mui's perspectives have been shaped by more than 25 years of research, consulting, management and entrepreneurship. He is the co-author, with Paul Carroll, of *Billion-Dollar Lessons: What You Can Learn from the Most Inexcusable Business Failures of the Last 25 Years*. A companion article, *Seven Ways to Fail Big*, appears in the September 2008 issue of the *Harvard Business Review*. Chunka is also the co-author of the best-selling *Unleashing the Killer App: Digital Strategies for Market Dominance* (Harvard Business School Press, 1998). The *Wall Street Journal* recently named the book one of the five best books on business and the Internet.

Chunka is an independent business advisor. He is also a fellow with Diamond Management & Technology Consultants, a global consulting firm headquartered in Chicago. He holds a B.S. in electrical engineering and computer science from MIT. More information can be found at [billiondollarlessons.com](http://billiondollarlessons.com).

