

D'Aveni and the art of business

Stuart Crainer sits in on a lecture by Tuck School's iconic professor

NURSING a coffee, Richard D'Aveni cuts a formidable figure. At the front of an MBA classroom at Dartmouth College's Tuck School of Business, the Bostonian-Italian is by turns playful, challenging, quizzical and gleefully opinionated. D'Aveni champions dynamic strategy over static analysis. He is a battlefield general in a world dominated by Ivy League theorists: strategy's answer to Realpolitik.

Best known for his work on hyper-competition (and the book with that title), D'Aveni was identified as one of the world's top 50 business gurus and is credited with creating a new paradigm in the field of strategic management based on temporary advantages — using rapid manoeuvring rather than defensive barriers.

MBA classes D'Aveni-style are far removed from the standard strategy lecture at which a learned professor marches sombrely through the big strategy ideas aided by a well used Powerpoint presentation and set of handy two-by-two matrices. "What

you are hearing from me is not a consensus opinion," D'Aveni confides. He then launches into a demolition of the big strategy ideas of recent times — Michael Porter's five forces framework and core competencies. There are no sacred cows in D'Aveni's classroom.

"Strength against weakness is a general principle of strategy," he explains before embarking on a lengthy tennis analogy. "Imagine, I have a strong forehand and a weak backhand. So do you. But I know about Swot (strengths-weaknesses-opportunities-threats) analysis. So I play to your backhand. You lose the first game but imagine if we play 300 games. What happens then?"

The point is that if you follow classic strategy advice and focus on your opponent's weakness then their weakness soon becomes a strength. Before long you have actually helped your opponent become a better all-round competitor and you are left with a weak backhand.

At times D'Aveni's audience is discomfited as he takes them down



Once met, never forgotten: Richard D'Aveni cuts a formidable figure at Tuck

routes they probably never imagined when they signed up for an MBA. "Are you sorry you sat in the front row?" he teases one student as the conversation takes another turn. "I'm afraid I'll have to call in my Sicilian relatives," D'Aveni jokes as the intellectual sparring continues.

Afterwards, D'Aveni is bubbling with excitement at the fun he has just had. He says: "I like to do something a little different with my students. I take

some pretty different approaches to strategy compared with many of the other gurus. I truly believe that, if you think hard enough, every strategy has the seeds of its own destruction embedded in it. I like to build my unique perspectives into the coursework. So in fact, I set out with a goal a few years ago to differentiate our students in the strategy area."

In the first-year course D'Aveni covers the standard strategy territory and

then adds his own ingredients — including Carl von Clausewitz, Sun Tzu, and Mao Zedong. "We apply them to industries like disposable nappies. It sounds ridiculous, right? But disposable nappies are a great case of barriers to entry and the use of concentrated force and circumvention strategies, and it's a great case of von Clausewitz's ideas of encirclement. I weave these together with my unique strategy concepts, such as creative disruption of a rival's centre of gravity or its spheres of influence, and with stronghold and price-quality mapping tech-

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niques. So the students apply the concepts to business using vision visual maps to see the shape of the battle."

With his array of colourful stories and analogies — he develops an impromptu case study about the strategic challenges faced by the Mafia — D'Aveni sounds fresh from the corporate trenches as opposed to an Ivy League business school professor.

He adds: "OK, I spend time teaching at this idyllic place in the woods of New Hampshire. But the stories come from consulting companies and from my research. They come from practical experience, and I learn by talking to managers, finding out their concerns, what is happening in their lives, what is affecting their businesses.

"I am an importer and exporter of ideas. I import ideas from one marketplace to another. I see trends that the average manager does not, because I see what is going on in many industries and I pull them together."