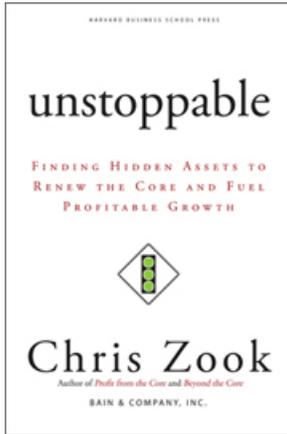


BAIN & COMPANY



In This *Unstoppable* Fact Sheet

- **About *Unstoppable***
- ***Unstoppable* Findings**
- **About the Author**
- **About the Growth Trilogy**

About *Unstoppable*

- ***Unstoppable: Finding Hidden Assets to Renew the Core and Fuel Profitable Growth*** by Chris Zook; published by Harvard Business School Press on May 3, 2007
- *Unstoppable* shows companies how to renew their business strategy when it stops fueling profitable growth, and provides a roadmap for how companies can make fundamental changes in their core business even as they continue managing their business today
- The book is based on extensive research:
 - Performance and rate of change in Fortune 500 companies from 1995 – 2004
 - Growth and capabilities surveys with 240 global executives
 - Case studies on 25 successful business redefinitions, based on research and in-depth executive interviews:

- | | |
|------------------------|-------------------------------|
| – American Express | – Li & Fung |
| – Apple | – Marvel Entertainment |
| – Avis | – Nike |
| – Autodesk | – Novozymes |
| – Boston Scientific | – PerkinElmer / Applera |
| – Brunswick | – Port of Singapore Authority |
| – De Beers | – Procter & Gamble |
| – Dell | – Roche |
| – Dometic | – Royal Vopak |
| – GUS | – Samsung |
| – Harman International | – TACA |
| – Hyperion Solutions | – Tesco |
| – IBM | |

Unstoppable Findings

- *Unstoppable* reveals that the pace of business change continues to accelerate, with **nearly three out of four companies at risk of fundamental change or extinction within ten years**
- The need for redefinition is on the rise as a result of increased ‘turbulence,’ which has tripled over the last 30 years from 20% to 62% (as measured by dramatic shifts in profitability)
- Mr. Zook finds that once-successful companies can transform themselves and renew their core business through a cycle of F-E-R: **Focus** (on the core business), **Expand** (on new adjacent businesses) and **Redefine** (the core business)
- **Companies have a four to six times better chance of success if they seek a solution for tomorrow’s growth based on their ‘hidden assets’:**
 - Hidden Customer Assets – Customer segments or data and insights about customers that lead to new products and businesses
 - Hidden Growth Platforms – Product lines and business units that have untapped potential
 - Hidden Capabilities – Technologies, processes and expertise that become a company’s next big thing

Further Facts about Turbulence

- More than one in three Fortune 500 U.S. public companies from 1995-2004 experienced bankruptcy or takeover
- Significantly less than one in three survived the decade in the same form as they were at the beginning
- More than one in three completely transformed their core business, some even reinventing themselves completely
- The average life span of businesses continues to decline rapidly, now down to less than 14 years on average
- CEOs leave their job more than twice as quickly they used to (from about 10 years to about four years)
- The average period of holding for a share of common stock is about ten times shorter than what it used to be (from eight years to eight months)
- Product life cycles tend to be 25% to 30% of what they used to be and leaders lose market position faster

<*Unstoppable Findings Continued*>

Other Key *Unstoppable* Facts, Figures and Insights

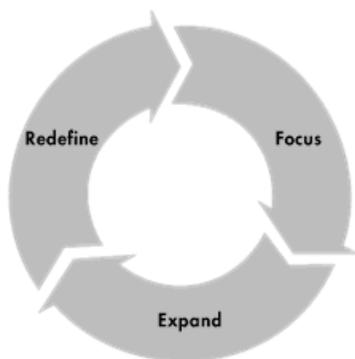
- Most companies have access to 80-100 growth opportunities, yet only one-in-four to one-in-five are successful
- Seven forces accelerating global business turbulence:
 - Faster movement of information – on everything
 - Speed of capital formation
 - Emergence of China and India, and their disruptive impact
 - Reduced capital intensity among the most profitable new industries
 - Increasingly rapid movement of executives among companies
 - The rise and impact of private equity firms
 - Speed of overall technology cycles
- Four reasons why company redefinitions fail:
 - Denial that change is occurring
 - Failure to identify the impact of change
 - Lack of clarity of what to do ('deer in headlights' syndrome)
 - Fear of disrupting or cannibalizing the base business (knowing that you still need to manage it during a redefinition)
- Four tests to determine whether or not a redefinition will be successful:
 - The new business presents a significant market growth opportunity
 - There is a high degree of 'relatedness' to your current core business
 - Your organization has the ability to practically implement
 - You can effectively manage the risks

About the Author



- Chris Zook is a senior Bain & Company partner based in Amsterdam. He heads the firm's Global Strategy Practice
- He is the author of the best-selling business books *Profit from the Core: Growth Strategy in an Era of Turbulence* and *Beyond the Core: Expand your Market without Abandoning your Roots*
- He has been published and quoted often in *The Wall Street Journal*, the *Financial Times*, *The New York Times*, *Fortune*, *Forbes*, and *BusinessWeek*
- He has been featured on *National Public Radio*, *CNBC*, and *Bloomberg TV*
- He speaks frequently at international and business forums, having included: the World Economic Forum, the World Knowledge Forum, the *Forbes'* CEO Conference, the *BusinessWeek* CEO Conference, the *Economist* Summit, the Harvard Burning Issues Conference and the Harvard Distinguished Speaker Series, and the Next Generation Growth conference
- He received a B.A. in mathematics and economics from Williams College, an M.Phil., in economics from Exeter College, Oxford University, and earned master's and Ph.D., degrees from Harvard University

About the Growth Trilogy



- The first book in the series, *Profit from the Core* (Harvard Business School Press, 2001), found that nine out of ten companies that had sustained profitable growth for a decade **focus** on their core businesses, rather than focusing on diversification.
- The sequel, *Beyond the Core* (Harvard Business School Press, 2004), examined how companies can systematically and successfully **expand** into related, or "adjacent," areas, such as new businesses and new geographies
- The just-released *Unstoppable* (Harvard Business School Press, 2007) completes the series and examines how companies can change their strategic focus to **redefine** their core and fuel new sources of profitable growth
- The trilogy is based on a Bain & Company growth study begun in 1990 that involves thousands of companies worldwide. The study's findings have been expanded each year, and have been adopted and applied in hundreds of successful companies