



Only Go On Green - Andrew Campbell, Director of Ashridge Strategic Management Centre Shows How to Spot Rare Games and Avoid Dogs in His New Book "The Growth Gamble"

Andrew Campbell's "The Growth Gamble" is management's guide to the tough challenge of adding successful new legs to businesses.

([PRWEB](#)) April 14, 2005 -- Andrew Campbell, Leading Consultant and Director of Ashridge Strategic Management Centre shows how managers can spot rare games and avoid dogs in his ground-breaking new book "The Growth Gamble: When Leaders Should Bet Big on New Businesses - And How They Can Avoid Expensive Failures"

"A wealth of deep insights, practical advice, and meritorious admonition. I have no doubt that this thoroughly researched and carefully argued book can help your company gamble more wisely on growth." From the Foreword by Gary Hamel, co-author of "Competing for the Future"

Nicholas Brealey Publishing, £20.00 hbk Publishing 19th April 2005

Andrew Campbell's "The Growth Gamble" is management's guide to the tough challenge of adding successful new legs to businesses.

99% of companies fail when they try to create new growth platforms.

But using Campbell's innovative New Businesses Traffic Lights Toolkit - managers can now weed out the toads and identify that prince of an opportunity all companies are looking for. Using the Toolkit, Campbell concludes that Gillette is no prince for Proctor & Gamble (see over). The widely acclaimed "marriage made in heaven" has only an even chance of creating value for Proctor & Gamble shareholders.

The Traffic Lights Toolkit involves making red, yellow or green judgements about four questions:

- * Do we bring to this new business significant advantage (green), small or uncertain advantage (yellow), or significant disadvantage (red)?
- * Is the profit pool for this new market average (yellow), a "rare game" (green), or a "dog" (red)?
- * Do we have leaders of this new business (and sponsors in the parent company) that are clearly superior to (green), similar to (yellow), or less strong than (red) competitor businesses?
- * Is the impact of this new business on existing businesses likely to be significantly positive (green), uncertain (yellow) or significantly negative (red)?

The recent announcement of the \$57 billion dollar acquisition of Gillette by Proctor & Gamble took the market and the media by surprise when it announced recently - "Another mega-deal eludes the media" (Tom Bawden, Times, 29/1). The union was widely reported as "a marriage made in heaven" (Bob Macdonald - P&G, Sunday Times, 30/1), and a "dream deal" (Gillette shareholder, Guardian, 29/1). Such enthusiasm might be customary from the involved parties, but the deal was also commended in wider circles. "Good health and perfect timing lead to a beautiful deal" (Jeremy Grant, FT, 29/1). Indeed the limited impact on P&G's share price following the announcement was interpreted as a solid indicator of "positive investor reception" (James Politi, FT, 29/1).

But are they right? Following his Traffic Lights Toolkit Andrew Campbell has analyzed the likely outcome of

the merger and come to some controversial conclusions:

1. Value Advantage Equation

Unique contribution

- Synergies in distribution and selling
- P&G's marketing and branding skills

Less percentage of unique contribution that is tradable

- low

Less unique contribution of competitors

- other fmcg companies have similar synergies and marketing skills

Less learning costs

- low at both the business level and parent level unless there is something special about shaving that P&G overlooks

Conclusion

- Light: Yellow - no big advantage no big disadvantage

2. Profit Pool

Conclusion

- Light: Yellow - not a dog and not a rare game

3. Leader/Sponsor

Conclusion

- Light: Yellow - it is not obvious that the Gillette team or the P&G sponsors are head and shoulders better than their competitors.

4. Impact on Existing Businesses

Synergies

- Â some positive synergies for existing businesses but unlikely to be significant (apart from the cost savings already identified under unique contribution)

Distraction risks

- Â limited risks because Gillette has its own management, but danger that both teams become distracted during integration.

Conclusion

- Light: Yellow - synergies and distraction costs likely to balance each other out

5. Overall conclusion

- Light: Yellow - limited strategic rationale. P&G should only do this deal if the financial logic is compelling Â in other words if P&G is confident it is buying Gillette on the cheap given the synergies it knows it can create.

"The Growth Gamble"

Andrew Campbell & Robert Park

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Growth and New Business Conference,
19th April, Cafe Royal, London W1 8.30am -5.30pm
in association with
Ashridge Strategic Management Centre and Strategos
Media Launch Cafe Royal, Regents St, London
19th April 5.30-7.30pm RSVP

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Andrew Campbell is a Director of Ashridge Strategic Management Centre and an active consultant for major corporate clients. He is also a Visiting Professor at City University and previously a Fellow in the Centre for Business Strategy at the London Business School. Before that he was a consultant for six years with McKinsey & Co, working on strategy and organization problems in London and Los Angeles. Andrew Campbell holds an MBA from the Harvard Business School where he was a Harkness Fellow and a Baker Scholar. He has published numerous articles, including six with the Harvard Business Review, and his previous books include Designing Effective Organisations, Synergy, Core Competency-Based Strategy, Breakup!, Corporate-Level Strategy, and Strategic Synergy.

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Robert Park has 25 years experience in the UK banking sector, the last 12 with the NatWest Group as Head of Group Strategy. He is now an independent consultant and an Associate of the Ashridge Strategic Management Centre.

More Praise for "The Growth Gamble"

Â□ The challenge of building the core as well as developing growth engines is one of today's most fundamental managerial challenges. The Growth Gamble by Campbell and Park has a clear, pragmatic, and research anchored point of view on this challenge. Better yet they provide the reader with a sense of the vitality of research in this domain. This book belongs on both academics' as well as managers' desks. Academics will come away with greater insights on the growth challenge. Managers will come away with both greater insights as well as specific actions to resolve the contradictions of managing for both today as well as tomorrow.Â□ - Michael Tushman, Paul R. Lawrence, MBA Class Of 1942 Professor Of Business Administration, Harvard Business School

"The Growth Gamble is a lucid examination of the most complex problem faced by most executives today - how to enter new businesses for the future without disrupting the profitable core of today. Managers will learn from the original examples and from Campbell and Park's provocative analysis of the need for growth." - Chris Zook, Partner Bain & Co, and author of "Profit From the Core and Beyond the Core"

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