



## MEET THE PERSON

# C. K. Prahalad's Passions

## Reflections on His Scholarly Journey As a Researcher, Teacher, and Management Guru

LYNN PERRY WOOTEN

ANNE PARMIGIANI

*University of Michigan*

NANDINI LAHIRI

*Indian School of Business*

### C. K. PRAHALAD BIOGRAPHY

C. K. Prahalad is a globally known management educator and one of the most influential thinkers on corporate strategy. He is the Harvey C. Fruehauf Professor of Business Administration and Professor of Corporate Strategy and International Business at the University of Michigan Business School. His research and writing focuses on corporate strategy and the role and value added of top management in large, diversified, multinational corporations. Among Dr. Prahalad's books is *Competing for the Future* (1994), coauthored with G. Hamel, a visionary work that has been printed in 14 languages and has been a worldwide best seller. He is coauthor, along with Y. Doz, of *The Multinational Mission: Balancing Local Demands and Global Vision* (1987). Published in 2004 are *The Future of Competition: Co Creating Unique Value With Customers* coauthored with V. Ramaswamy based on Dr. Prahalad's latest research on new sources of value creation and *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits*. He has consulted with many multinational firms, including Eastman Kodak,

AT&T, Cargill, Honeywell, Philips, Motorola, Oracle, Colgate-Palmolive, Motorola, TRW, Whirlpool, and Ahlstrom.

### AUTHORS' INTRODUCTION

Recently we had the opportunity to spend 2 engaging hours interviewing Professor "CK" Prahalad. This was a privilege for us given CK's busy schedule of teaching MBA students, consulting to CEOs, working on his research, and serving on a special United Nations Commission on Private Sector and Poverty Alleviation. Although we have known CK for some time, listening to him share his extraordinary career journey was fascinating.

This interview takes a life history approach and provides insight on CK's current and past research interests. He also discusses his pedagogical approach to teaching MBA students and shares his managerial wisdom. Throughout the interview, you will be amazed by CK's passion for his research and teaching endeavors. This passion is evident whether CK is dis-

cussing strategies for global firms, the business implications of world poverty or his responsibility as an educator.

While reading the interview, it will become apparent to you why CK is considered one of the top management gurus in the world. Many of you may already know CK as the creator of management concepts, such as dominant logic, strategic intent, and core competencies. In this interview, you will learn more about the history of his innovative business ideas and the person behind the ideas. Moreover, because CK is the quintessential educator, his interview responses not only inform the *JMI* audience but also challenge the recipient of his knowledge to reflect on their own career trajectory and its purpose.

### INTERVIEW WITH CK PRAHALAD

Wooten: Where and how did your scholarly journey start?

Prahalad: I think it's reasonably easy to say that my scholarly efforts started long before I came to Harvard Business School for my doctorate. I was doing research on my own looking at health care systems at hospitals and how to make life easy for poor people who have to go to the emergency ward. Most of this was in India. I was just a newly minted MBA from India Institute of Management, Ahmedabad. I spent every weekend going to hospitals studying hospital systems and building simple models on how to organize workflows and methods. During this process, I began thinking about technology as the underlying rationale for strategic direction of health care systems. A lot of doctors may or may not care about money or how the hospital as a business works. But they certainly cared about which new technologies get introduced and how new technology gets implemented.

Wooten: Did your early research in India provide the starting point of your research career?

Prahalad: After this, I came to Harvard while they were training me for a D.B.A. It became clear to me I had to do something different. And I was not necessarily motivated by doing things you would characterize as main line of research. After a lot of soul searching, I decided that thinking about how things happen is more interesting for me than thinking about what are the broad patterns and developing generalizations, which is what most research is. Because it's history! By the time you collect a lot of data, things have already happened, and the research focuses on history rather than asking the question, "How is the future being created?" If you want to understand how the future is being created, you have to understand how decisions get made, how people allocate resources, how choices get made. So I got interested in that.

Wooten: How did this soul-searching process influence your graduate studies?

Prahalad: My starting point was to extend Joe Bower's work because a lot of the research at that time was looking at resource allocation in complex global firms (MNCs) and in a complex technology environment. While studying a chemical company, it struck me that Joe Bower's resource allocation model had very important implications, but it could not explain the problem I was observing. So I had to invent a new framework. This became the framework that identified the tensions between global integration and local responsiveness.

Wooten: What do you view as the contribution of your framework that combines global integration with local responsiveness?

Prahalad: The framework became a dominant paradigm. It looked at the forces of global integration and local responsiveness as a way to understand the imperatives of the economic drivers of a business. I used the same work to understand the drivers of organizational structure and processes. In other words, here was a framework by which you could understand the nature of the business' underlying economics and also understand the requirements of the internal organization. So as I reflect back now, this framework was one of the firsts in strategy research to integrate industry analysis with organizational analysis.

Wooten: Developing this framework while writing your dissertation helped to launch your career in academia, but your research on global strategies is only a small segment of your scholarly journey. What did you view as the second major phase of your scholarly journey?

Prahalad: I consciously believe that as a researcher one must push oneself into zones of discomfort, and not coast along on what one knows. Now I could have coasted along very comfortably on the back of the *Multi-National Mission* book and the framework. I just consciously decided not to. But in the process of walking away from what I knew, something very interesting dawned on me. While studying very large companies in the United States and Europe, I found that small companies in Japan and Korea were challenging very large incumbents. So I got very intrigued by the phenomenon. Gary Hamel was a doctoral student at the Michigan Business School at that time. Our research led to *Competing for the Future*. Now if you think about it, that body of work broke several deeply held strategy research and practice norms. First, the notion of "fit" was central to strategy. But entrepreneurship is not about fit. Strategy must be about stretch. Second, this created the notion that aspirations must be, by design, outside your resource base. Hence, there are two ways to access resources. A firm can leverage resources and manage alliances, which led to the notion of "Collaborating with Your Competitors." The other option is that firms must learn how to reuse intellectual resources created, which is the core competence idea. The ability to husband your resources and at the same time get market access is

called "expeditionary marketing." How to shape the direction of the industries is called "strategic architecture." So what we were able to build out of that body of research was an internally consistent system.

Wooten: At the time, this was groundbreaking research in strategy. How did it change the practice of management and strategy in the "real world"?

Prahalad: In fact, this way of thinking about strategy was so different from the existing perspectives that *Competing for the Future* and its conceptual contributions totally changed the way we think about strategy, and it had a significant impact on practice. Today I cannot think of a single large company that has not played around with the idea of core competence or that of strategy as stretch. An additional interesting finding of this research is that you don't have to have all the resources to be a world leader. You can create resources; you can leverage resources. Therefore, it was about hope and about entrepreneurship and about regeneration of tired companies.

Wooten: How did you move from the concept of strategy as stretch to the bottom of the pyramid?

Prahalad: I decided I'm going to search for what is the next big issue. Five billion people were trying to join the market economies of the world, they're getting free of socialism, they're free of all the constraints that governments had imposed, and I asked myself a fairly simple question, "What is the meaning of development and freedom?" Are five billion people so disenfranchised that we have no answers to that problem? We know that development aid has totally failed to solve the problem of poverty. Developmental aid might have made very few people in those developing countries very rich because of corruption. In fact, I think, most of the development aid has been a process of taking taxes from poor people in the developed world and helping the very rich ones in the developing world. I said to myself this doesn't make sense. We have to do something different. So I basically started by saying we need to have a strategy that must address the question of how to deal with these five billion people.

Parmigiani: Why now?

Prahalad: You can ask why didn't we think about it 20 years ago. Poverty is not new to human experience. Twenty years ago poverty existed. However, there was no way for us to intervene in that process because the governments did not allow you to. Markets were closed. Since markets opened, we must find a way to intervene. In the past 5 years I have been searching for an internally consistent, fairly simple way to think about how to solve the problems of the poor. And that's what led to some articles, student projects, and now, a book.

Wooten: What are your underlying assumptions and framework for developing economies?

Prahalad: My basic argument is that development aid can never be a substitute for mobilization of resources locally. More important, we need to understand how

to build legal systems that enable large companies, multinational companies, small and medium enterprises, and individual entrepreneurs to survive and grow. For example, Amway and building a million entrepreneurs in Asia. Avon with its Avon ladies is as much about building an entrepreneurial climate in the country of individuals, large companies, and small companies so that all their lives can be improved. Finally—the most important thing for me—you should not play God or be elitist. A lot of development people decide what poor people should or should not have. We simply have no right to tell poor people what they should have. Give them the same choice you want given to you. Let them decide. Will they make some bad decisions? Yes. Do we make bad decisions? Yes. So the rich have as much liberty to make bad decisions as the poor. But give them the information; don't decide for them.

Wooten: How do you bring these ideas to life? How can managers and economists implement these ideas?

Prahalad: The amazing thing for me is to start thinking about how to do it; I've come to four simple conclusions. One, you must use the most innovative technologies to solve the problems of the poor. This is not about handouts. Second, you must be focused on sustainable development. You cannot help 2.2 billion people in China and India if you don't worry about sustainable development. Third, it must be totally scalable. Though nongovernment organizations (NGOs) do phenomenally interesting work in some areas, none of them worry about scale. Scale is an important part. Fourth, you must totally rethink the price/performance relationship. It's not reducing the price by 5% or 10%, but thinking about 1/20th of what things are available. If you think about those four as a sandbox, my attitude is I can play any game inside, but I will not violate these four constraints. The moment you come to that conclusion, you start to think at the bottom of the pyramid as a source of innovations. To me, it's as big a departure conceptually from developmental economics, aid, public policy and also private policy and private strategy of multinational companies as you can imagine. That is what I'm in the process of pulling together, not just articles but a book-length piece with very detailed cases that describes how to do it, gives confidence to people that this can be done. Because it is so new that most people don't believe it can be done. This is not only a document about poor people in Brazil or in India. We have the same problem in downtown Detroit. We have the same problem in East Palo Alto, California.

Wooten: What drives your passion behind the bottom of the pyramid?

Prahalad: It's a very simple motivation for my research. I think we are probably the most fortunate people. I know that I'm fortunate and so are all the people who I normally meet. We were born in this country, or we live in this country, and we enjoy the benefits of freedom and enjoy the benefits of affluence. We complain

about all kinds of problems; but our problems pale in comparison to a little kid in Congo. Imagine a kid who is 12 years old, father and mother shot in front of him, one leg blown off, with a gun and running around. Not knowing where the next meal is coming from. I'm very sensitive to it because I've seen it personally. I understand it. I come from a place where poverty is not a theoretical construct and not a number. I have a visceral understanding of what it is to meet with people who are so poor.

The second advantage is that I have enormous respect for the poor because I talk to them, and I'm always amazed at how philosophical and thoughtful they are. So I started with the simple assumption. I do not want to play elitist. I don't want to say that they need to get subsidies, that they cannot make up their minds, that they are not smart, or that they cannot participate in markets and so on. A very interesting motivation is they all have to eat, they all want to send their children to school, and they all want to have a nice house. So aspiration to a better life is not only motivations of the middle class and the rich. The poor have the same motivations. The only thing is that they do not have is access to credit. They do not have access to products and services. Therefore, the research question is rather simple, "How do I create the enabling conditions?"

Parmigiani: What are some of the challenges to creating these conditions?

Prahalad: One of the biggest paradoxes is that the poorest people live in the highest cost subeconomies. How many of you go to downtown Detroit? For many of the services, the poor pay more. For example, I get credit at 8% or 9%. And somebody from downtown Detroit, if they can get access to credit, it's probably 60%, 70% a year—if they're lucky. And I said this doesn't sound right to me. But this is across the world. It's not just here. How can you justify the poorest people paying more for everything? That's because it is seen as high-risk customers. So the question is how do you reduce the perception of risk? So that at least they don't have to pay more, they just can pay the same amount.

So I said if you start looking at these problems, there must be a creative solution. And to me what is more intellectually exciting than dealing with this problem? You cannot necessarily solve all the problems, but you can make a small contribution by teaching people to think of this as a legitimate concern or legitimate businesses and that's all that I'm trying to do. I have no guarantees that this problem will get solved in my lifetime.

Wooten: A large portion of our audience for *Journal of Management Inquiry* has interests in human resource management or organizational behavior. What are the HR implications at the bottom of the pyramid?

Prahalad: Oh, this is a phenomenally interesting question. There are multiple implications. First, how do you socially legitimize, in a large multinational company, the commitment of young people to work with

the attitude of a missionary and a Peace Corps volunteer in fairly difficult locations? If you look at Hindustan Lever in India, a subsidiary of Unilever, a premier company with about US \$3 billion in sales in India. Every MBA or engineer, everyone whom they recruit, must stay 3 months in a village where their consumers live. That is the requirement. Managers work on a specific project in that village. They have to live life the way the villagers live, not live in a town and then commute in the morning and go back in the evening. Why? Because you must empathize with your customers. If you want to treat them as your customers you must understand them. Second, what else does the company do? Every 6 months all managers, from the CEO down, everybody, must spend the same day with customers in the poorest parts of the community. Not just go and visit them and come back and say, "Thank God it's over." They have to write a report on what did they learn on how to work with these customer groups. What are their needs, why the products either fit or don't fit the needs of these people? So it is a fairly analytical thing that they have to do.

Wooten: Therefore, you see a connection between how companies train their employees and treat their customers?

Prahalad: Firms should create a relationship with customers at the bottom of the pyramid, which has filtered empathy from their employees. So the first challenge for the CEO is how to connect the elitist managers with the poor customer. So we understand them and we talk to them and we don't say, "These bums on the road," we say, "These customers." And I think the first thing is to give respect. Second, we must change the dominant logic on how to compete. That means how to discard existing product formats, packaging formats, price formats, distribution channels, branding; all of them have to be different. For example, most of these people don't have access to a television. So how do you then reach these people? There's no Wal-Mart there. How do you reach them? How do you use everything from trains to cycles to camels to donkeys, or whatever it takes? How do you keep track of the quality of products? How do you understand the needs? That means we have to train people to think in a way that is outside the dominant logic and how they're socialized in large firms. Third, in multinational companies, how do managers working at the bottom of the pyramid markets get a share of voice in decision-making circles? Those are fundamental questions.

Wooten: What about employing people at the bottom of the pyramid, do you see that as a trend in these countries? What are the human resource management strategies?

Prahalad: We need strategies of training that are very different. And we are underestimating how entrepreneurial women are. I can say this with four of you sitting here. Actually, one of my major conclusions about the bottom of the pyramid is we cannot energize the



market without giving a central role to women. Women are central to development. That is true in development of downtown Detroit or Rio or Mumbai.

Wooten: Women? Why are women so important?

Prahalad: Because women can organize their lives much faster. The families are kept together by women. They care about their children, and they want their lives to be changed. Millions of women in India, for example, are getting energized, and they are beginning to save and have some money with them. Men will follow women with money. Everybody follows money so give money to the women. Hey, life is simple. She has a bank account, I have nothing. What are we going to do, fight with them? It's amazing how women are organizing themselves. They're setting their own priorities. Actually poor people have to be entrepreneurial to survive and women are good at this. It's their survival skills.

If you listen to these people, you learn that they are not stupid. They are so sharp. They have thought about life in some deep ways. They can't articulate it like the way MBAs or Ph.D.s can, but that doesn't make them stupid. And they are not asking for favors. They are asking for a fair chance. And a fair chance is all we can give them. Give them a chance, and they'll be entrepreneurial.

Parmigiani: Can you discuss more about why you initially focused on developing countries for the bottom of the pyramid research, but you commented that we have the same problems in the United States, in town such as East Palo Alto or even Ann Arbor?

Prahalad: They are just as disenfranchised, and we have no right to tell other people in other countries how they should take care of their people. It's not a question of providing subsidies and Medicare and things of that kind. It is treating them as customers, respecting them as customers, and providing the ability for them to make good choices. I think what people want are respect and the desire to be treated fairly. Markets are the best way to allocate resources. If you want something to be self-sustaining, it must have an underlying economic structure to it that creates economic value. People must get benefits as consumers and the companies must make money. That's the only thing that survives because there's an economic rationale for it to survive and that's why I am pushing the economic and market solutions. We must get some checks and balances here because any time you go through the market mechanisms there are bound to be either short cuts or distortions. These distortions happen regardless of whether you're rich or poor. But in the case of poor, you must have some protections. So there's a whole type of research that is possible.

Lahiri: Is this how you arrived at the concept of cocreation?

Prahalad: At the same time, I was concerned about the bottom of the pyramid I was interested in a very parallel development. Everybody said dot-coms are dead, therefore we are back to normal. I said no, dot-coms may be dead, but the Internet and the cell phone have

created a very different revolution. Ordinary people are being empowered today to form communities of their own. They challenge the institutions and especially the unilateral view that large companies have had on how to deal with consumers.

What are our assumptions as business researchers and practitioners about value creation? Firms create value, firms exchange value with the customer, and the role of the firm is to communicate value to the consumer through advertising. And finally, the process of exchange is where the company is able to extract economic value from customers. That is what we do. In fact when you think about it, what we call the value chain is nothing more than a sequential cost build. I always wondered why do we not just call it our "cost build" rather than value chain? And the reason is we don't call it a cost build because we assume if we reduce the cost, we will increase value. The amazing thing about what has happened because of the Internet is that communities such as Napster are becoming very, very powerful. If you kill Napster, other such communities crop up. So what are the implications of this? I don't know whether you remember I used to teach a class in strategy here, used to call it A-type firms and B-type firms. A-type is the traditional large GMs and Fords of the world, B-type are the Internet companies. I basically said in 1998 that neither A nor B will survive, and that you'll get C. C is some combination and a new morphing of A and B. So this is how it led to the next piece of research that I am doing with Venkat Ramaswamy. This is the substance of the book: *The Future of Competition*, challenging the core assumptions of strategy.

Lahiri: Is this the book coming out?

Prahalad: That's the book that's coming out. The book is based on a totally different set of premises. First, the idea is that value is cocreated by consumers, consumer communities, and the firm. It cannot be created unilaterally by the firm. Second, value is in consumer experiences, not in product and services. Third, the centrality of a network of firms and consumer communities is critical for the experience of value creation. No single company can create that experience. You must have networks of companies and institutions to create value. It goes after every basic assumption we have made in the theory of strategy and the theory of the firm.

Wooten: How do you define the consumer community?

Prahalad: For example, 400 people in a group who are worried about breast cancer. They represent a thematic community as they come together because they are interested in the same issue. Members may not ever see each other. These communities are not necessarily locational communities; they don't live in the same village. But they have the same problem or are concerned about the same thing. We believe this is going to have some very interesting implications to the strategy literature. Maybe as complex as *Competing for the Future* was. Probably even more because in *Competing for the Future* the focus was still a firm-

centric view of the future. In this book, we are creating an experience-centric view and a consumer-centric view of the future.

However, it is not just consumers; it is the consumer and the firm working together. This is the cocreation view, and it goes at the heart of everything from pricing to the meaning of plans, the meaning of value, to a role of relationships to the boundary of the firm to the meaning of markets to the role of demand and supply. I also believe that empowering the disenfranchised people and empowering the disenfranchised consumer to me is the underlying theme. We finish the book by plagiarizing Abraham Lincoln by saying that we may be moving to an "economy of the people, by the people, for the people." It is a democratization of our society where the dominant paradigm is not an institution-centered view of the individual but an individual-centered view of our institutions. Anyway, that's the research. It's probably longer than you wanted.

Parmigiani: You have given a great overview of your research, but as educators, what should we be doing?

Prahalad: Young people want to do something that has meaning for them. What do we do with them in a typical business school? We take students with idealism and missionary spirit, and we make them total mercenaries. I think we are doing a disservice to young people. We should tell them the way the world is. Tell them where the opportunities are and ask them a simple question. "What difference will you make to the world because you are alive?" That's a very simple question, and we all need to honestly answer that question.

Take being rich—you can be rich in many ways. You can gamble and be very rich. You can sell booze and be very rich. You can sell crack and be very rich. Now, being rich cannot be the only scorecard. I'm not necessarily against being rich. I like the good things in life, as you know. But you must also have something other than that. I can have a wonderful life with two cars or four cars, but after some time, the meaning does not come from how many cars you have, but how many lives you have touched. And I think that is a very different process.

Wooten: What obligations do business academics have to their research and teaching?

Prahalad: To me, as academics, we have a very important obligation. The research is an important obligation. Our research must help people understand how we can make a difference. That's why I look at research in medicine. It's very interesting. As a medical researcher, I could get very excited about what I'm doing, how many lives it might change and save. As a lawyer, I could get very excited. While there's a lot that is dumped on lawyers, they protect our freedoms. As business professors, we should ask a similar question, "How many lives do we touch because we create the ability for people to participate in the benefits of a market economy?" And I think that's an important question. Though we can only interact with students

in front of us, it can have a huge impact if 500 students from Michigan have a different way of thinking about their life.

I think business school should not become a sophisticated trade school. Just because we teach advanced finance, it does not make us different from a trade school. I think the difference between a trade school and a school for educating people is adding the moral and ethical component. If you had all the education and no moral or ethical component, it's just a trade school. It's not about just teaching a class in ethics; but it must permeate the entire being of the school because moral questions and ethical questions don't come labeled as such. "I have a moral question today" is not how we cope with our lives. It comes all the time; we have to make choices.

We also have procedures without purpose. We kill all initiative. There's some rule that says we must have a normal grade distribution. Now I have to make a decision. (For the international multidisciplinary action project), this woman went to the Amazon, got bitten by mosquitoes, risked malaria, and wrote this case. Another one went to Guadalajara, and she risked being robbed and killed. This other person went to this village in India and could have gotten diarrhea. Now, that's a "B," and this is an "A"? That's what they're forcing me to do. And then we wonder why people don't work hard. Now you can see the frustrations of trying to do something different.

Parmigiani: It sounds like there are rules you would like to change.

Prahalad: It's not a question of changing rules for their own sake. We should understand the adverse consequences of rules and know when to apply them and when not to apply them. I'm absolutely confident if I went to all groups and said, "I appreciate your work so much, but I cannot artificially distinguish your work. I'm going to give everybody a 'Pass.'" The students will accept that. Because they know me and that I have no favorites and I'm not doing it to hurt them. But, the system won't accept it; so now I agonize and negotiate.

Wooten: As a full-chaired professor, you are in the position to change rules and take risks. Given the success of your risk-taking, what advice do you have for junior professors and Ph.D. students?

Prahalad: I don't know that I can presume to give advice, but I can reflect on my criteria for deciding what to do. Number one is you want to be a professor because you want to be a professor not because there are no alternatives.

Number two, follow your heart. Do your thing. Don't follow other people's rules. Rules are made for discriminating and, like most grading systems, rules are made to discriminate the middle. So if you decide not to be in the middle and you want to be an outlier, then you have lots of degrees of freedom.

Now, outliers have to be careful about what risks they can take. It's very high risk if you take a topic that nobody is likely to believe will be of value. On the

other hand, dealing with something big that will not go away tomorrow morning, like 5 billion poor people or the fact that people are now talking to each other on the Internet and forming communities, are big issues that companies cannot wish away. So if you're willing to stake your claims on an emerging, big issue where the underlying drivers are very obvious, then you become the person who puts the basic framework for others to follow. On the other hand, if you can do it, it's worth taking a chance.

On mitigating your risk, you should write articles fairly early, but not necessarily for academic journals. Academic journals take 3 or 5 years before the ideas see the light of day. Write for *The New York Times* or for wherever people read about this stuff. You'll get feedback very fast. For example, in thinking about the future of competition, I wrote four articles in *Optimize*. The turnaround time is very quick, so you get very quick feedback, and you know you're on the right track or not. You can also write for *Journal of Marketing* but don't start with that. When you're doing this kind of research, it's not going to be published first in the *Journal of Marketing* because there's no literature and the existing peer review process will not allow it to be published. You have to fly the kite to find out whether you're going in the right direction, whether there's traction here. You have to have a research strategy that not only looks at "A" journals, although "A" journals may be an important part, depending on what research you're doing.

Parmigiani: How does this apply to your own experiences?

Prahalad: I'll give you a very interesting case. I wrote a paper called "Dominant Logic" ("The Dominant Logic: A New Linkage Between Diversity and Performance" C. K. Prahalad and Richard Bettis, 1986, *Strategic Management Journal*). I don't know whether you folks read it these days or not. It was rejected. For 1½ years, it went from referee to referee. My normal reaction to that would be "to hell with this process" and withdraw the article. But I said, "Why don't you send it to some people who understand the theory?" because most of the referees didn't understand the meaning of that paper. As luck would have it, they sent it to three other referees and finally it got accepted. Eight years later, it was seen as the best paper published in the past 10 years. (This paper was the first recipient of the *SMJ* Best Paper Prize.) I said, how is that possible? Senior referees didn't want to touch it with a barge pole. The same thing happened with the strategic intent paper ("Strategic Intent," Hamel & Prahalad, 1989, *Harvard Business Review*). Initially it was rejected but we said, "No—read it again." Fortunately for us, they read it again and published it. That year, it won the McKinsey Prize. So, if you believe deeply in something, you must be persistent.

My attitude is to give your best effort to your research and to ensure that your students have the best experience. Work at universities that support

your effort or go to some other place where they'll give you the resources needed to succeed. Maybe people think I can get away with that, but I don't think I can. If I could, it would be only for one reason—because I created the choices. One of the things you do as a young assistant professor is to create strategic choices for yourself. If you follow what others want you to do, you're playing the game according to their rules. You will never win. Play the game according to your rules. This is rule number one in strategy. Invent a new game, and there will be a lot of room at the top of the field for you. The bottom is crowded. If you're a strategist, your job should be to get to the top as fast as possible. And it is not possible to get to the top if you're doing standard mainstream research because there is just too much competition. If you're the first to find some new big problem where nobody's working on it, you're the only game in town. So the question is how to do it? Find the only game in town that is the right game for you, and this is the one that you can get passionate about!

## AUTHORS' POSTINTERVIEW REFLECTIONS

When CK speaks, people listen and learn. This interview is no exception to that rule. There is a wealth of wisdom for organization theorists and managers embedded in this interview. For example, the interview with CK reinforces the concept that firms move beyond the polarization of the global marketplace and local economies. However, this is only the first step; and currently CK contends the more compelling challenge for multinational companies is stimulating business activities at the bottom of the economic pyramid. To succeed at this task, CK suggests firms should behave as entrepreneurs and cocreate with consumer groups. This is consistent with CK's notion that strategy is about stretch and that aspirations by design are outside of a traditional resource base or core competency.

It is interesting to note, CK's belief in the power of "entrepreneurship" and "stretch" extends not only to corporations but also to our academic careers. He argues in the interview that great research is usually about new concepts. However, it often takes awhile before a new idea is recognized. When people are used to thinking in a particular frame of reference and have a dominant logic, the time to unlearn what they already know is considerable. As a junior faculty or Ph.D. student, one should not be discouraged if others do not immediately recognize the relevance of an important piece of research. Instead, take risks and create your own unique career path.

## C. K. PRAHALAD: A SELECTED BIBLIOGRAPHY

### Books

- C. K. Prahalad: *The fortune at the bottom of the pyramid: Eradicating poverty through profit*. Philadelphia: Wharton School Publishing, 2004.
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- C. K. Prahalad and Y. Doz: *The multinational mission: Balancing local demands and global vision*. New York: Free Press, 1987.

### Award-Winning Papers

#### *Strategic Management Journal Best Paper*

- The dominant logic: A new linkage between diversity and performance. (1986). *Strategic Management Journal*, 7, 485-502.

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- The end of corporate imperialism. (2003). *Harvard Business Review*, 81, 109-118 (with K. Lieberthal).
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#### *Research and Technology Management: Maurice Holland Award for the Best Paper*

- The role of core competencies in the corporation. (1993). *Research Technology Management*, 36, 40-47.

**LYNN PERRY WOOTEN** is a clinical assistant professor of corporate strategy and management at the Ross School of Business, University of Michigan, where she received her Ph.D. in corporate strategy. Her research focuses on the strategic implications of human resource management practices. She can be reached at e-mail: [lpwooten@umich.edu](mailto:lpwooten@umich.edu)

**ANNE PARMIGIANI** is an assistant professor of management at the University of Oregon and received her Ph.D. from the University of Michigan. Her research interests include vertical interfirm relationships, technology transfer, firm knowledge and capabilities, firm boundaries, and the theory of the firm. She can be reached at e-mail: [annepa@umich.edu](mailto:annepa@umich.edu)

**NANDINI LAHIRI** received her Ph.D. from the University of Michigan and is currently an assistant professor of strategy at the Indian School of Business. Her research focuses on the geographic dispersion of research and development activities, the role of firm boundaries in innovation, and the role of geography in knowledge management activities in the global semiconductor industry. She can be reached at e-mail: [nandini\\_lahiri@isb.edu](mailto:nandini_lahiri@isb.edu)