

## From the Editors

Ashish Kothari and Laraine Spector

**A**prophetic if obscure line from the 1960s Broadway hit Pippin claims "...it's smarter to be lucky than it's lucky to be smart." Of course, as most companies recognize, it's better to be both lucky and smart. With this in mind, the Virtual Strategist strives to keep its readers apprised of the newest ideas, best business practices, and the hottest topics of the day, enabling them to intelligently position their companies for profitability while leaving as little as possible to chance. Of course, there's always room for luck.

In this issue, the Virtual Strategist looks at leadership and asks two highly successful corporate founders, Marilyn Miglin, of Marilyn Miglin, Ltd, and Doris Christopher, of The Pampered Chef, to tell us what they've learned about leading, managing others, and facing adversity. While it is difficult to deny that luck has played a role in their remarkable achievements, the interviews with Mesdames Miglin and Christopher leave little doubt that certain personality traits—their visioning for change, their passion, and their perseverance in pursuing their goals – have contributed to their success.

Also in this issue of the Virtual Strategist, we examine the consumer choice process. In "Grasping the Strange and Irrational Ways Consumers Behave," Virtual Strategist Contributing Editor Laraine Spector asks, once again, whether consumers make rational choices when deciding such things as what to buy, how much to spend or save, or whether to lease or purchase an item. Reviewing the latest thinking on the topic, she introduces the reader to the works of behavioral decision theorists like Amos Tversky and Daniel Kahneman and the economist, Richard Thaler. All three have shown that consumers don't necessarily behave rationally -- especially, with respect to choices involving gains or losses. If you can't find the time to read the original sources, this review offers some valuable insights and is well worth the time and effort.

Steve Cavolich's and Eugene Breger's techno-savvy article on corporate business intelligence systems ("Building A World-Class Business Intelligence Structure") provides a practical analysis of the major structural issues and considerations related to BI. If you've ever pondered building, supporting or

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About operating a world-class business intelligence organization, you will find this article quite helpful. It also offers some special suggestions for customizing the system to fit your organization's specific needs. Susan Varghese's brief on Netflix, whose online service delivery approach is challenging industry incumbents, offers some timely information on what appears to be a rapidly growing and very promising market—though that position is now being threatened by large competitors that have jumped on the bandwagon with similar value propositions.

How can companies prevent value from migrating to other companies? Zain Raj and Cynthia Pike-Fuentes ("Connecting with the Prosumer: The New Imperative for Topline Growth") contend that many American companies are losing their value and their edge because they have lost touch with the people who buy their products. Their solution: companies must tap into the "Prosumer" segment: the 20-30 percent of consumers who influence how quickly and how completely trends spread, and how trends mutate. Prosumers, who make and break markets in every category, industry, and part of the world, can only be reached by companies capable of leveraging "creative" business ideas--ideas that are transformational, aligned with a company's business strategy, and profit- and growth-driven. Ashish Kothari, managing editor of the Virtual Strategist, and Joseph Lackner address the value issue more directly: they contend that customers buy value, which they define as the total package of product, performance, access, experience, and cost. They argue that enterprises that understand how customers define value achieve superior, long-term profitable growth. Unfortunately, many enterprises are not well aligned to understand their customers. To address this situation, the authors propose a three-step approach that will enable companies to not only define and quantify what customers value but also to deploy their resources to deliver greater value than the competition as well as to capture a greater share of the delivered value.

In all, it makes for a very informative collection of readings that, at a minimum, will make you a little smarter and, hopefully, will prepare you for the luck you certainly merit.

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## iTunes - When the Recording Industry Sang the Blues, Apple Sang a Different Tune

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If you have topics you would like to see covered or comments about any of the articles included in this publication or would like to contribute an article for a future issue, please contact us at [editor@virtualstrategist.net](mailto:editor@virtualstrategist.net).

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