

Foreword

Today many business environments are characterized by frequent changes that result in a higher market dynamism and complexity. Global media industries are an up-to-date example of this development: a fast growth period was followed by a rapid downturn. Media companies wrote off a colossal US\$ 120 billion from their balance sheets in 2002 – mostly as a result of growth strategies' failure. It seems that despite popular belief growth or market share by itself is less than ever before a guarantor of success. Sebastian Raisch decided to analyze various strategies in order to gain a better understanding of the determinants of successful firm performance.

When he decided to go on a research journey into the elements and dynamics of strategic thinking and firm performance he brought along all the ingredients necessary for such a challenging project; he had experience gained through exhaustive consulting work, excellent knowledge of management theories and, as a result of his studies and activities as a research assistant, specific knowledge of strategic management. His research objectives were furthermore clearly defined and, thanks to a meticulously planned and well-organized project as well as his enthusiasm for the topic, he had ready access to an empirical field.

In his work he shows that although many insights may be gained from the existing strategy literature, it is only of limited value when analyzing performance in dynamic markets. Analyzing the factors underlying firm success has always been strategic management's foremost activity, but the existing literature fails to capture the increasingly dynamic and complex nature of competition. In a straight forward way Sebastian Raisch demonstrates that strategic management theory is still highly fragmented, often oversimplifies the interrelation between determinants, and remains inherently static in its approach. Researchers as well as reflective practitioners will find the result of his research well worth reading!

Corollary to the one-dimensional and static character of most existing approaches, the great majority of empiric studies has been conducted in stable environments. Sebastian Raisch, however, provides a comprehensive strategic analysis that captures the growing

complexity and dynamic in the marketplace. In his study he establishes three models, the integrated, the complex and the evolutionary model, to address the current limitations of fragmentation, oversimplification and statism. The integrated model combines the most relevant determinants from competing perspectives into a single model. The complex model captures the most relevant interrelations between these determinants. The evolutionary model encompasses the evolution of these determinants over time. The combined results provide a state-of-the-art view of the factors and effects underlying firm performance.

All three models were validated in a field study of the global media industries. Differences in firm performance in dynamic markets such as the global media industry can be explained through a comprehensive research framework that captures the dynamic interaction of a multitude of underlying determinants.

This book definitely provides new insights into and a broader understanding of strategy theory and the analysis of firms' success factors. Different strategy perspectives' contributions are not simply criticized, but integrated and leveraged in an integrated and dynamic view. For once the media industry does not serve to provide simple illustrations of television markets' consolidation and domination, to provide historic case descriptions of huge mergers, rapid technology changes, regulatory liberalization or fierce competition, but serves as a most interesting empirical field for understanding the dynamics between markets, competition and performance

This piece of research allows the success factors in all kinds of industries to be interpreted and understood. It contributed to and also served as a basis for research into company failures (see Probst / Raisch 2004) and leads naturally to the question of what successful companies--balanced companies as Sebastian Raisch would call them--really do as well as providing answers.

Prof. Dr. Gilbert Probst